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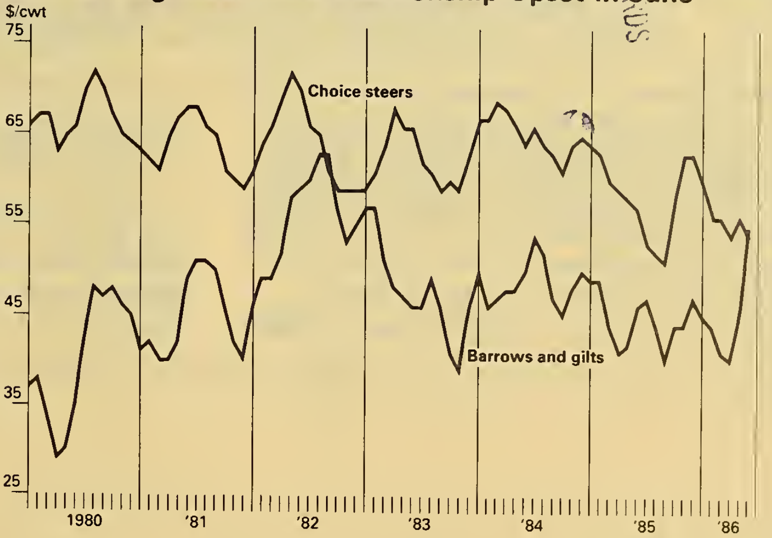
Situation and Outlook Report

Normal Hog-Steer Price Relationship Upset in June



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The present forecasts will be updated in the World Agricultural Supply and Demand Estimates scheduled for release on August 12, September 11, and October 10, 1986.

SUMMARY

Since 1982, when livestock producers began reducing their inventories, large meat supplies have encountered weak demand stemming from sluggish economic growth, constrained consumer purchasing power, and favorable retail prices for poultry relative to red meats. No significant change in the situation is likely next year. Meat supplies are expected to remain almost record large as more poultry offsets less red meat, primarily beef. Relatively lower priced poultry will hold down price gains for red meats, particularly given the weak growth in many sectors of the economy.

While fed cattle marketings are expected to remain large in 1986 and 1987, there will be fewer nonfed cattle slaughtered, which will reduce supplies of lower priced hamburger and processed meats. However, large supplies of poultry will fill the void left by these lower priced red meat products. Lower costs of production and somewhat higher prices for cattle and hogs should help improve producers' returns. Poultry returns are likely to remain positive.

Except for 1982, most cattle and hog producers have lost money each year since 1979. Hog and cattle breeding herds are now the lowest since the early 1960's. Smaller inventories reflect increased slaughter of the breeding herd and retention of fewer young female stock, actions that enlarged red meat supplies. Between now and mid-1987, hog, and to some extent cattle, inventories are likely to begin stabilizing, which will sharply reduce red meat supplies. On a per person basis, red meat supplies in second-half 1986 may decline 5 to 6 percent from a year earlier and fall 6 to 7 percent in first-half 1987.

Meanwhile, poultry producers are expected to continue expanding. Production increases will be due to good returns since mid-1984, expectations of lower supplies and higher prices of competing meats, and strong demand for new products, particularly in the fast food industry. Poultry production may rise 5 to 6 percent from a year ago in second-half 1986, and 7 to 8 percent in first-half 1987.

Both beef and pork prices are expected to increase from the low levels of the past year. Prices for Choice beef at retail may increase during second-half 1986, but still average about $2.33 per pound for the year, the same as in 1985. Retail pork prices have already moved up from the $1.62-per-pound average in 1985 and may be about $1.70 for 1986. In 1987, prices are likely to be near those of the early 1980's--about $2.40 for beef and $1.75 for pork. Poultry prices have advanced sharply, partially because of weather concerns, even as supplies increased. Sizable production gains through 1987 are expected to hold prices near 1986 levels.

FACTORS AFFECTING LIVESTOCK AND POULTRY

For the first time since 1982, several factors are moving in unison to improve the costs and returns outlook for meat producers--lower red meat supplies, reduced production costs, and a slowly expanding economy. However, severe drought throughout much of the Southeast and still near record total meat supplies are strong reminders to producers about how precarious and fleeting periods of positive returns can be. While the outlook has improved, large losses for much of the 1980's in the red meat sector will slow the rate of expansion until producers' financial base is improved.

Table 1--Livestock, poultry, and egg production and prices
(All percent changes shown are from a year earlier.)

Item	1984	1985	1986					1987 1/	
	Annual	Annual	I	II	III 1/	IV 1/	Annual 1/	I 1/	Annual 1/
					Million pounds				
PRODUCTION									
Beef	23,418	23,557	5,769	6,247	6,175	5,475	23,666	5,575	22,350
% change	+2	+1	+1	+5	0	-5	0	-3	-6
Pork	14,720	14,728	3,564	3,567	3,425	3,600	14,156	3,400	14,125
% change	-3	0	-1	-5	-4	-6	-4	-5	0
Lamb & mutton	371	352	89	78	80	82	329	82	320
% change	+1	-5	-4	-6	-6	-10	-7	-8	-3
Veal	479	499	129	129	125	115	498	100	410
% change	+12	+4	+8	+8	-1	-14	0	-22	-18
Total red meat	38,988	39,136	9,551	10,021	9,805	9,272	38,649	9,157	37,205
% change	0	0	0	+2	-1	-6	-1	-4	-4
Broilers 2/	12,999	13,569	3,414	3,664	3,620	3,550	14,248	3,650	15,050
% change	+5	+4	+6	+4	+4	+6	+5	+7	+6
Turkeys 2/	2,574	2,800	556	712	960	960	3,188	665	3,660
% change	0	+9	+15	+13	+12	+15	+14	+20	+15
Total poultry 3/	16,088	16,871	4,107	4,520	4,690	4,630	17,947	4,445	19,215
% change	+4	+5	+6	+6	+5	+8	+6	+8	+7
Total red meat & poultry	55,076	56,007	13,658	14,541	14,495	13,902	56,596	13,602	56,420
% change	+1	+2	+2	+3	+1	-1	+1	0	0
				Million dozen					
Eggs	5,708	5,688	1,421	1,418	1,430	1,470	5,739	1,450	5,790
% change	+1	0	-1	+1	+2	+2	+1	+2	+1
PRICES									
					Dollars per cwt				
Choice steers, Omaha, 900-1100 lb	65.34	58.37	57.22	54.52	57-61	61-65	57-59	61-67	62-68
Barrows & gilts, 7 mkts	48.86	44.77	43.30	47.23	56-60	53-57	50-52	53-59	50-56
Slaugh. lambs, Ch., San Ang.	62.17	68.61	68.09	77.36	68-72	66-70	70-72	67-73	68-74
					Cents per pound				
Broilers, 12-city avg. 4/	55.6	50.8	50.3	54.3	64-68	55-59	56-58	50-56	50-56
Turkeys, NY 5/	74.4	75.5	62.0	68.5	78-82	88-92	74-76	57-63	65-71
					Cents per dozen				
Eggs New York 6/	80.9	66.5	74.1	63.4	73-77	68-72	70-72	62-68	64-70

1/ Forecast. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

Red Meat Supplies To Decline

Poor returns, drought, and structural adjustments throughout the economy during the 1980's have sharply reduced cattle, hog, and sheep inventories. Cattle and hog breeding herds are at the lowest levels since the 1960's, while the sheep inventory is the smallest since records were established in 1867.

While increased livestock slaughter maintained meat supplies as inventories declined, livestock numbers have dropped so low that red meat supplies will decline as inventories stabilize. Red meat supplies are likely to drop 2 to 5 pounds per capita in the second half of this year. Even sharper drops could occur if profits become overly stimulative and large numbers of female stock are shifted to the breeding herd for expansion. Temperature extremes throughout much of the broiler production regions may only slow the rate of expansion in second-half 1986. While smaller red meat supplies are likely to continue through at least mid-1987, poultry supplies may begin to expand at a faster clip as returns remain positive.

Production Costs Decline

Grain stocks continue to rise near record levels. Production in 1986 is again expected to exceed use resulting in even larger stocks at the end of 1986/87. The 1985/86 wheat carryover in the United States was a record 1.9 billion bushels. Loan rates for the major grains will drop with the beginning of the 1986/87 crop year for each grain. The loan rate for wheat dropped on June 1 and wheat prices at the farm are expected to average $2.25 to $2.50 per bushel in 1986/87 compared to $3.16 last crop year. Loan rates for the major feed grains won't decline until September 1, thus wheat became an attractively priced feed grain at harvest in many areas.

Major corn producing areas have had very favorable growing conditions this year. Although planted acreage declined due to the provisions in the Food Security Act of 1985, corn production is expected to remain large. Weak feed use and continued sluggish grain exports, given the large world supplies, should weaken grain prices, particularly this fall. The farm price of corn may average $1.75 to $2.00 in 1986/87 compared with an expected $2.35 this year. The mid-month farm price of corn in July was $1.99 a bushel, well below the $2.60 a year ago. Grain sorghum stocks are also expected to remain large throughout 1986/87 with the farm price declining to $1.65 to $1.90, well below the $2.15 expected this year.

Soybean stocks are also expected to remain large in 1986/87. Drought in the Southeast may affect this year's harvest. The first assessment of yields will be released in the *Crop Production* report on August 12. Soybean meal prices may average $130 to $155 per ton in 1986/87 compared with $150 this year.

Lower rates of inflation, interest, and energy costs are also helping to reduce production costs. The prime interest rate averaged 8.6 percent in the second quarter compared to 10.2 percent a year earlier. The Federal Reserve cut the discount rate to 6 percent in early July, the lowest rate since 1978. Lower to steady rates over the next year seem likely. Gasoline prices averaged nearly 37 cents below a year earlier in July.

Forage Conditions Good To Excellent, Except Southeast

On July 1, the U.S. pasture and range feed condition index averaged 83, 6 points above a year earlier and 1 point above the 1975-84 average for the date. Conditions in most States outside the Southeast were good to excellent. Conditions in Texas and Oklahoma were 16 and 7 percentage points above the 1975-84 average. Montana and Wyoming forage conditions were well above average and the very poor situation of 1985. However, severe drought conditions existed in Georgia, South Carolina and North Carolina. Forage conditions in the Southeast continued to worsen through late July. Rain and cooler weather gave some relief in early August.

This year's hay acreage was estimated at 61.1 million acres, up 1 percent from a year ago and the second largest acreage since 1979. In 1984, the acreage was 61.4 million. The first estimate of 1986 hay yields and thus production will be released on August 12. The U.S. farm price of hay in July was $58.70 per ton, down from $62.40 in June and $67.90 a year ago. Hay prices were sharply higher in the drought area, with some prices at more

than $100 a ton. Hay was priced as low as $36 a ton in Ohio; $32 in Indiana; and $30 in South Dakota, Iowa, and Michigan where supplies were plentiful. But the problem is that the cost of shipping hay long distances to the drought area is prohibitive.

Feed cost-sharing programs announced by the Department of Agriculture in early August will help defray some of the expense. Producers' cost-share payments will be made in Commodity Credit Corporation generic certificates. Producers in designated counties which have suffered a 40-percent loss of feed production can apply for assistance at their local ASCS offices. This lower priced grain can be used to supplement crop fodder from fields that will not produce high enough grain yields to cover harvest expenses.

Sluggish Mixed Economy Continues

Economic growth continues, but at a very sluggish pace, that masks sharp structural adjustments in the manufacturing, energy, and farm sectors. Growth in the Gross National Product was recently revised upward for 1983 though first-quarter 1986. However, growth was only 1.1 percent in the second quarter of 1986, down sharply from 3.8 percent in the first quarter and 2.3 a year earlier. Growth is likely to remain slow in second-half 1986, but begin to accelerate through 1987 because of improvement in the net export deficit. This outcome is plausible because the dollar has declined relative to many of the major importing countries such as Japan, but it remains strong relative to many of the other major exporting countries, particularly in the agricultural sector.

Little additional help for the meat sector is expected from a more rapid increase in income growth because many consumers now face low savings rates and large personal debt. However, an even slower than expected growth would further reduce consumer purchasing power, particularly for the relatively more expensive red meats where higher prices are expected in 1987.

LIVESTOCK AND RED MEATS

Cattle

Cattle and calves on farms and ranches on July 1 numbered 112.2 million head--down 4 percent from a year ago and the lowest inventory since this series began in 1973. The January 1, 1986, inventory of 105.5 million head was the lowest since 1963, and if it continues to decline near the 4 percent pace through January 1, 1987, could approach 101 million head. The *Cattle* report indicates that the liquidation may be nearing an end, but inventories will continue to decline through 1987 and increased production is unlikely before at least 1988/89. Very favorable forage conditions in much of the country in 1985 and first-half 1986 plus lower feeding costs have helped stabilize beef cattle numbers, even as dairy cattle inventories decline due to the Dairy Termination Program (DTP).

Although the mid-year inventory does not contain State data, it appears that producers in some areas have already stabilized their herds or perhaps begun to expand them. Severe drought in the Southern and Central Great Plains in 1983 and 1984 forced sharp reductions in the area's beef herds. Many of the established herds are likely being expanded toward fuller, though unlikely full, utilization of available forage supplies. It is unlikely that

Table 2--July 1 cattle inventory

Class	1984	1985	1986	1986/85
	1,000 head			% change
Cattle and calves	121,500	116,300	112,200	-3.5
Cows and heifers that have calved	48,700	46,300	45,000	-2.8
Beef cows	37,900	35,250	34,150	-3.1
Milk cows	10,800	11,050	10,850	-1.8
Heifers 500 lb and over	18,500	18,200	17,500	-3.8
For beef cow replacement	5,500	4,900	4,800	-2.0
For milk cow replacement	4,950	5,000	4,700	-6.0
Other heifer	8,050	8,300	8,000	-3.6
Steers 500 lb and over	16,400	15,900	15,300	-3.8
Bulls 500 lb and over	2,500	2,300	2,200	-4.4
Heifers, steers, and bulls under 500 lb	35,400	33,600	32,200	-4.2
Calf crop 1/	42,500	41,045	40,100	-2.3

1/ For the current year, the calf crop is the number of calves born before July 1 plus the number expected to be born on and after July 1.

many producers who exited the beef sector during the 1980's because of financial problems will be able to generate sufficient cash flow to justify the investment necessary to reestablish a beef herd in the foreseeable future.

Most of the country has abundant forage supplies and another bumper hay crop, but the Southeast is suffering through the severest drought in over a century. While Alabama, Georgia, South Carolina, North Carolina, and Virginia were the hardest hit through late July, the entire Southeast region had near record temperatures in late July. Cooler temperatures and rainfall in early August provided some relief. These five States comprise nearly 9 percent of the beef cow inventory, while the 11 States in the Southeastern region accounted for 24 percent of the inventory at the beginning of the year. Livestock sales in this region have been running at near capacity as parched pastures and dwindling hay stocks forced cattle on the market early. However, prospects of reduced cattle and beef supplies have strengthened demand for cattle to be placed on pastures in other areas.

Consequently, demand and prices for medium to thinly fleshed stocker-feeder cattle in this area have been good. However, many fleshy feeder-cattle have gone to slaughter as weight loss on this type of cattle in late summer through early fall can be great. In addition, many of the cows being sold are going to slaughter because of the poor financial position of producers in other areas and the large investment necessary for an economic unit prohibits many from being able or willing to reenter the cow-calf sector.

DTP Pattern Smoothed

Contract modifications in the first disposal period, April 1 through August 31, smoothed out dairy cattle slaughter patterns, particularly in August. Producers originally intended to slaughter nearly 229,000 cattle in August, second only to the 275,000 head intended for April. A compromise with several cattle groups permitted DTP producers to modify contracts to shift cattle from the first period to the second or third period for disposal. A total of 1,116 participants modified their contracts. Nearly 172,000 DTP cattle are now expected to be disposed of during August. The expected number and reductions in ( ) are as follows in thousand of head: cows 98 (35); heifers 39 (11); and calves 35 (11).

While this shift could reduce the slaughter at the end of period one, other factors may be somewhat offsetting. The drought in the Southeast resulting in loss of forage, higher feed costs, and water scarcity may encourage some DTP participants to move up the disposal schedule for some of their cattle. Producers must have only half of the number of cows on their farms at the beginning of the disposal period, that they had when they signed up for the program. Thus a number of dairy cattle in the Southeast designated for slaughter in the second or third periods could still be slaughtered in August as conditions deteriorate.

Red meat purchases for domestic use and export under provisions of the Food Security Act of 1985 have likely more than offset the impact of increased dairy cattle slaughter under the Dairy Termination Program. Large domestic red meat purchases in addition to normal purchases have already been made. In addition, large purchases are continuing for export. Purchases for additional domestic use and export through August 1 were 247.4 million pounds, product weight. Export purchases particularly, for Brazil, will remain large through late summer.

Inventory Decline Continues

During first-half 1986, cattle slaughter rose 3 percent over a year earlier and calf slaughter increased 7 percent. The sharpest year-to-year increase was cow slaughter, up 11 percent, due to higher dairy cow slaughter. Steer slaughter rose 2 percent, while heifer slaughter remained large, but unchanged from a year ago. Bull and stag slaughter dropped 4 percent.

Increased cow slaughter and low heifer retention reduced the cow herd 3 percent, with the beef and dairy herds dropping 3 and 2 percent, respectively. The sharpest decline in the dairy herd occurred in the second quarter and the trend is likely to continue through the remainder of 1986 due to the DTP. Through early July, cumulative weekly dairy cow slaughter was 35 percent above a year ago. Beef cow slaughter was 3 percent below the same period a year ago.

Table 3--Heifers entering cow herd January-June and July-December

Year	Jan. 1 cow inventory	Intended herd replacements Jan. 1	Total 1/ disappearance Jan.-June	July 1 cow inventory	Heifers entering herd Jan.-June	Percent entering herd	Intended herd replacements July 1	Total 2/ disappearance July-Dec.	Jan. 1 cow inventory following year	Heifers entering herd July-Dec.	Percent entering herd
	---- 1,000 head ----					Percent	---- 1,000 head ----				Percent
1973	52,553	11,306	3,550	54,037	5,034	44.5	11,144	3,496	54,478	3,937	35.3
1974	54,478	12,134	3,625	56,960	6,107	50.3	11,780	4,702	56,931	4,673	39.7
1975	56,931	12,971	5,212	58,053	6,336	48.8	11,306	7,197	54,974	4,118	36.4
1976	54,971	11,148	5,628	53,938	4,595	41.2	10,475	5,811	52,441	4,314	41.2
1977	52,441	10,414	5,221	52,190	4,970	47.7	9,846	5,429	49,635	2,874	29.2
1978	49,635	9,744	4,961	48,413	3,739	38.4	9,340	4,253	47,852	3,692	39.5
1979	47,852	9,459	3,413	47,815	3,376	35.7	9,885	3,235	47,866	3,286	33.2
1980	47,866	10,101	3,304	49,941	5,379	53.3	10,214	3,748	49,622	3,429	33.6
1981	49,622	10,481	3,599	51,004	4,981	47.5	10,856	3,788	50,216	3,000	27.6
1982	50,216	11,147	3,925	49,990	3,699	33.2	10,900	4,182	48,986	3,178	29.2
1983	48,986	10,881	3,885	49,600	4,499	41.3	10,680	4,447	48,603	3,450	32.3
1984	48,603	10,715	4,564	48,700	4,661	43.5	10,450	4,782	46,211	2,293	21.9
1985	46,174	10,302	3,971	46,300	4,097	39.8	9,900	4,113	44,812	2,625	26.5
1986	44,812	9,908	4,339	45,000	4,527	45.7					

1/ Death loss calculated as 1 percent of January 1 cow inventory plus estimated commercial cow slaughter. 2/ Death loss calculated as 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter.

Table 4--U.S. federally inspected cow slaughter by region, January-June

Standard federal regions 1/	1985	1986	Change	Percent change
	1,000 head			Percent
1 & 2 2/	125.0	138.0	+13.0	+10.4
3	246.7	309.3	+62.6	+25.4
4	456.0	471.7	+15.7	+3.4
5	703.7	790.2	+86.5	+12.3
6	506.6	560.4	+53.8	+10.6
7	689.0	693.0	+4.0	0
8	178.5	230.8	+52.3	+29.3
9	275.0	340.0	+65.0	+23.6
10	184.4	213.7	+29.3	+15.9
U.S. 3/	3,365.6	3,747.1	+381.5	+11.3

1/ States included in regions are as follows: 1-ME, NH, VT, MA, CT & RI; 2-NY & NJ: 3-PA, WV, VA & DE-MD; 4-KY, TN, NC, SC, GA, AL, MS & FL; 5-MI, OH, IN, IL, WI & MN; 6-TX, OK, NM, AR & LA; 7-IA, NB, KS & MO; 8-MT, WY, CO, UT, ND & SD: 9-CA, NV, AZ & HA; 10-ID, OR, WA. 2/ Region 1 combined with region 2 to avoid disclosing individual operations. 3/ Totals may not add due to rounding.

Although beef cow slaughter has declined, it remains large, and as a proportion of the beginning inventory is actually above a year ago. While the number of beef heifers being saved for possible herd expansion on July 1 had declined 2 percent, the number of beef and dairy heifers calving and entering the cow herd had risen by over 400,000 head from the low 1985 first-half level. There is still no indication of expansion, but it does appear that the beef herd could stabilize at about 100 million head in 1987. Stronger prices, good forage conditions, except in the Southeast, and lower feeding costs may encourage moderate expansion in 1987.

Calf Crop-Feeder Cattle Supplies Drop

Surprisingly, the estimated calf crop for 1986 dropped only 2 percent to 40.1 million head---the lowest since 1960. More heifers calving and entering the herd helped hold up the calf crop. However, given the large first-half calf slaughter the feeder-cattle supply continued to decline. It declined 3 percent as the number of calves available to go on feed dropped 4 percent. The yearling supply declined 1 percent. The supply of yearling feeder cattle continues to be buoyed by the reduced number of heifers being retained for the beef breeding herd. Even a moderate increase in heifer retention would sharply reduce feeder cattle supplies, particularly the yearling supply. Feeder cattle supplies were also helped by continued lower placements on feed during the second quarter.

Cattle on Feed Decline; Weights Remain Heavy

Cattle on feed in the 13 major feeding States on July 1 were 8 percent below a year earlier--the lowest for this date since 1975. Second-quarter placements were the fewest for this period since 1972. Second-quarter marketings were 5.77 million head, slightly below a year ago. However, since 1970, this level of marketings was exceeded only by the

Table 5--Commercial cattle slaughter 1/ and production

Year	Steers and heifers: Fed	Steers and heifers: Nonfed	Steers and heifers: Total	Cows	Bulls and stags	Total 2/	Average dressed weight	Commercial production 2/
	--- 1,000 head ---						Million	Million pounds
1983:								
I	6,419	424	6,843	1,701	188	8,732	633	5,527
II	6,367	581	6,948	1,694	209	8,851	628	5,556
III	6,799	621	7,420	1,908	220	9,548	630	6,015
IV	6,167	866	7,033	2,294	191	9,518	626	5,962
Year	25,752	2,492	28,244	7,597	808	36,649	629	23,060
1984:								
I	6,467	457	6,924	2,080	165	9,169	623	5,710
II	6,476	660	7,136	1,998	209	9,343	623	5,820
III	6,556	620	7,176	2,169	217	9,562	622	5,952
IV	6,259	677	6,936	2,372	198	9,508	624	5,936
Year	25,758	2,431	28,172	8,621	789	37,582	623	23,418
1985:								
I	6,678	208	6,886	1,879	171	8,936	637	5,692
II	6,663	534	7,197	1,630	195	9,022	656	5,923
III	6,887	577	7,464	1,691	197	9,352	659	6,167
IV	5,927	655	6,592	2,191	196	8,979	643	5,775
Year	26,155	1,984	28,139	7,391	759	36,289	2,595	23,557
1986: 3/								
I	6,464	371	6,835	1,884	165	8,884	649	5,769
II	6,644	743	7,387	2,006	181	9,574	652	6,247

1/ Classes estimated. 2/ May not add due to rounding. 3/ Preliminary.

5.79 million in 1985 and the 5.99 million in 1978. Feedlots are current in their marketings and producers expect to market 5 percent fewer cattle this summer than a year ago. While fewer cattle are on feed, they continue to be placed in lots at heavier weights. Because of the heavy placement weight, slaughter weights will likely remain heavy in spite of the good marketing pace. Slaughter weights this spring dropped below the record pace of spring 1985. Although reduced, the supply of yearlings coming off very good grass weight gains in most areas will continue to provide adequate supplies of yearlings through fall for large fed cattle marketings through first-half 1987.

Profit prospects for cattle feeders have improved markedly for cattle marketed through fall. However, rising feeder cattle prices and falling feed costs may be somewhat offsetting. Large movements of cattle out of the Southeast will likely add to placements in July and August.

Beef Production To Decline

Despite the DTP, beef production is likely to drop in second-half 1986 from a year earlier and first-half 1986 levels. Beef production may remain about unchanged this summer, as dairy cow slaughter continues large. However, even with slaughter levels remaining near to slightly above a year ago, slaughter weights are expected to drop 8 to 10 pounds below the record 659 pounds of a year ago. Although production remains large, continued sizable purchases of beef for domestic and export use to offset the impact of the DTP on meat producers will likely reduce supplies available for "normal" domestic consumption 1 to 3 percent, particularly with the large export sales to Brazil.

Fourth-quarter beef production is likely to drop 5 percent from a year ago as nonfed slaughter, particularly dairy cows, drops sharply. The last of the sizable DTP cow

Table 6--Federally inspected cattle slaughter

Week ended	Cattle 1984	Cattle 1985	Cattle 1986	Steers 1984	Steers 1985	Steers 1986	Cows: Total 1984	Cows: Total 1985	Cows: Total 1986	Cows: Dairy 1984	Cows: Dairy 1985	Cows: Dairy 1986	Cows: Dairy as percent of total 1984	Cows: Dairy as percent of total 1985	Cows: Dairy as percent of total 1986
	- - - - - - Thousands												- - Percent - -		
Jan. 1 1/	589	522	521	292	241	243	133	109	115	--	38	45	--	35	39
8	606	553	591	277	247	269	164	129	137	84	50	58	51	38	42
15	699	736	756	325	323	343	180	183	189	90	70	79	50	38	42
22	707	741	755	339	355	343	163	153	176	87	61	72	53	40	41
29	693	679	704	333	327	321	169	140	153	90	52	67	53	37	44
Feb. 5	657	666	669	318	313	308	159	146	143	89	60	62	56	41	43
12	689	672	655	344	313	307	150	133	144	81	58	64	54	44	44
19	683	657	651	425	301	310	153	146	122	79	59	58	51	40	48
26	666	670	638	318	311	289	146	142	126	77	59	59	52	41	47
Mar. 5	684	680	676	329	323	318	139	131	136	72	60	64	52	46	47
12	675	678	637	324	332	297	145	127	130	69	55	62	48	44	48
19	689	676	638	342	311	304	143	137	128	68	60	61	48	44	48
26	644	622	646	319	289	305	134	128	131	67	56	61	50	44	46
Apr. 2	650	620	641	312	282	295	139	124	135	67	55	64	48	44	47
9	631	612	669	301	264	315	135	118	157	65	54	89	48	46	57
16	662	640	716	328	286	354	143	119	148	62	53	97	43	44	66
23	651	659	705	322	322	339	148	127	137	60	52	86	41	42	63
30	655	681	719	322	320	342	147	123	159	57	49	92	39	40	58
May 7	666	684	719	332	344	334	149	115	157	56	48	84	37	42	54
14	712	686	706	361	336	327	145	116	148	55	46	77	38	40	52
21	730	711	731	368	356	339	152	120	156	53	47	74	35	39	47
28	743	689	729	364	335	334	155	130	158	55	49	77	35	38	49
June 4	642	600	643	317	288	310	132	113	136	46	41	64	35	36	47
11	720	662	720	361	328	364	149	125	142	51	44	66	34	36	46
18	722	673	735	363	344	375	150	110	143	52	42	66	35	38	46
25	706	684	691	336	338	327	155	121	140	53	44	65	35	37	46
July 2	708	685	731	333	328	343	157	131	146	52	47	69	33	36	47
9	605	559	612	285	294	289	112	84	123	38	32	59	34	38	48
16	742	707	734	337	334	342	168	131	149	58	50	74	34	38	50
23	705	697	746	317	324	354	164	140	163	55	48	75	34	34	46
30	680	678		313	331		152	119		52	45		34	38	
Aug. 6	696	659		327	319		158	114		57	46		36	40	
13	710	683		323	324		161	102		57	44		35	41	
20	701	705		322	327		153	128		52	50		34	39	
27	717	720		317	338		171	136		62	52		36	38	
Sept. 3	745	706		329	334		175	133		62	53		36	40	
10	653	613		296	295		144	110		53	46		37	41	
17	748	726		338	332		176	136		63	54		36	40	
24	745	714		343	346		174	128		59	52		34	41	
Oct. 1	710	690		316	310		169	137		58	58		34	42	
8	733	671		321	289		167	148		56	61		34	41	
15	729	692		305	300		175	147		61	57		35	39	
22	731	674		313	293		176	155		62	60		35	39	
29	701	678		312	299		179	159		62	61		34	38	
Nov. 5	700	633		309	273		187	155		63	60		34	39	
12	683	666		298	292		175	167		58	66		33	40	
19	694	666		308	283		176	174		60	68		34	39	
26	577	655		261	289		139	166		49	66		35	40	
Dec. 3	711	550		298	255		194	130		72	50		37	38	
10	701	653		284	281		191	170		69	68		36	40	
17	733	680		305	290		186	193		63	75		34	39	
24	702	670		305	297		175	167		62	68		36	41	

1/ Corresponding date--1984: December 31, 1983; 1985: December 29, 1984; 1986: December 28, 1985.

Table 7--July 1 feeder cattle supply

Item	1984	1985	1986	1986/85
	1,000 head			% change
Calves 500 lb 1/				
On farms	35,400	33,600	32,200	-4.2
On feed 2/	350	213	182	-14.6
Total	35,050	33,387	32,018	-4.1
Steers & heifers 500 + lb 3/				
On farms	24,450	24,200	23,300	-3.7
On feed 2/	9,806	9,881	9,140	-7.5
Total	14,644	14,319	14,160	-1.1
Total supply	49,694	47,706	46,178	-3.2

1/ Less than. 2/ Estimated U.S. steers and heifers. 3/ Not including heifers for cow replacement.

Table 8--Commercial calf slaughter and production

Year	Slaughter 1/	Average dressed weight	Production 1/
	1,000 head	Pound	Million pound
1983:			
I	734	140	103
II	669	146	98
III	805	137	110
IV	868	135	117
Year	3,076	139	428
1984:			
I	817	141	115
II	745	152	113
III	856	143	122
IV	874	145	127
Year	3,293	145	477
1985:			
I	820	145	119
II	770	156	120
III	872	144	126
IV	923	145	134
Year	3,385	148	499
1986: 2/			
I	873	148	129
II	836	154	129

1/ May not add due to rounding. 2/ Preliminary.

slaughter is expected to occur as the first period ends in August and as the second period begins in September. Because of the large dairy cow slaughter April through September and the resulting lower inventory, fourth-quarter cow slaughter is likely to be reduced. Culling by non-program dairy farmers may be lower because of a reduced number of dairy replacement heifers. If the drought subsides in time for the Southeast to generate pasture growth for fall and winter grazing for the remaining cattle inventory, beef cow slaughter should continue to drop this fall. Lower grain prices will increase the price feedlot operators can pay for the reduced supply of cattle. Good grazing in most areas could encourage more over-wintering programs and even greater competition among stocker operations and cattle feeders, particularly for lighter weight, thinner calves. Lower feed costs and cost of gain on calves will make them increasingly more attractive for feeding.

Prices To Rise Through Fall

Prices for Choice fed steers at Omaha rose from $52.50 per cwt in early June to $58 in mid-July, prior to release of the mid-year cattle inventory and quarterly cattle on feed reports. Prices in late July averaged $59 per cwt before correcting to near $58 in early August. The $5.50-rise from June to July would translate to a 13-cent or 5.7-percent

Table 9--Cattle on feed, placements, and marketings, 13 States

Item	1984	1985	1986	1986/85
	1,000 head			% change
On feed April 1	9,340	9,688	8,915	-8
Placements, Apr.-June	5,562	5,206	5,181	0
Marketings, Apr.-June	5,620	5,787	5,771	0
Other disappearance, Apr.-June	582	437	375	-14
On feed July 1	8,700	8,670	7,950	-8
Steer & steer calves	5,495	5,254	4,910	-7
-500 lb	218	112	118	+5
500-699 lb	518	478	378	-21
700-899 lb	1,852	1,679	1,582	-6
900-1,099 lb	2,350	2,230	2,140	-4
1,100 + lb	557	755	692	-8
Heifers & heifer calves	3,173	3,384	3,009	-11
-500 lb	81	70	37	-47
500-699 lb	635	618	541	-12
700-899 lb	1,559	1,665	1,479	-11
900 + lb	898	1,030	952	--8
Cows	32	32	31	-3
Marketings, July-Sept.	5,684	5,969	1/5,661	-5

1/ Intentions.

Table 10--7-States cattle on feed, placements, and marketings

Year	On feed	Change from previous year	Net placements	Change from previous year	Marketings	Change from previous year	Other disappear-ance	Change from previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1984								
Jan.	8,006	-3.7	1,480	+8.5	1,569	-3.6	86	-33.8
Feb.	7,917	-1.7	1,219	+16.9	1,621	+8.7	82	-32.2
Mar.	7,515	-1.2	1,647	+30.0	1,594	-0.6	117	-14.6
Apr.	7,568	+4.1	1,331	-6.5	1,523	+3.6	184	+28.7
May.	7,376	+2.1	1,579	-6.5	1,637	+3.7	219	+46.0
June	7,318	-0.2	1,351	-10.9	1,544	-1.7	94	+20.5
July	7,125	-2.1	1,239	+14.7	1,553	+3.7	84	-10.6
Aug.	6,811	-0.7	1,619	+8.4	1,683	+1.9	61	-30.7
Sept.	6,747	+0.6	2,184	+13.2	1,489	-11.5	81	+14.1
Oct.	7,442	+7.1	2,436	+3.3	1,657	+1.9	110	+7.8
Nov.	8,221	+7.0	1,824	+14.7	1,501	+2.9	121	0.0
Dec.	8,544	+9.3	1,487	-9.2	1,414	-2.1	137	+15.1
1985								
Jan.	8,635	+7.6	1,331	-10.1	1,782	+13.6	118	+37.2
Feb.	8,184	+3.4	1,247	+2.3	1,540	-5.0	94	+14.6
Mar.	7,891	+5.0	1,494	-9.3	1,559	-2.2	98	-16.2
Apr.	7,826	+3.4	1,283	-3.6	1,603	+5.3	133	-27.7
May	7,506	+1.8	1,548	-2.0	1,604	-2.0	128	-41.6
June	7,450	+1.8	1,184	-12.4	1,577	+2.1	87	-7.4
July	7,057	-1.0	1,017	-17.9	1,670	+7.5	61	-27.4
Aug.	6,404	-6.0	1,448	-10.6	1,697	+0.8	62	+1.6
Sept.	6,155	-8.8	1,909	-12.6	1,603	+7.7	79	-2.5
Oct.	6,461	-13.2	2,694	+10.6	1,573	-5.1	85	-22.7
Nov.	7,582	-7.8	1,690	-7.3	1,380	-8.1	76	-37.2
Dec.	7,892	-7.6	1,369	-7.9	1,401	-0.9	111	-19.0
1986								
Jan.	7,860	-9.0	1,504	+13.0	1,740	-2.4	77	-34.7
Feb.	7,624	-6.8	1,108	-11.2	1,470	-4.6	102	+8.5
Mar.	7,262	-8.0	1,564	+4.7	1,563	+.2	86	-12.2
Apr.	7,263	-7.2	1,435	+11.8	1,621	+1.1	120	-9.8
May	7,077	-5.7	1,614	+4.3	1,615	+.7	132	+3.1
June	7,076	-5.0	1,075	-9.1	1,628	+3.2	67	-23.0
July	6,523	-7.6						

rise in retail prices, assuming the byproduct credit and farm-to-retail spread remained unchanged. While the spread is likely to narrow, the already higher beef prices relative to other meats and the sluggish economy suggest such increases will be difficult to achieve. Choice fed steer prices are likely to average near $60 this summer, moving up in late summer and fall to the lower-to-mid $60's.

Yearling feeder steers at Kansas City traded at a premium of nearly a dollar per cwt compared to fed cattle in late June and $4 to $5 in late July. Lower feed costs and good stocker-feeder cattle demand should support prices for yearling steers at a $3 to $5 premium to fed cattle. If corn prices drop more than now forecast, feeder cattle prices could move above $70.

Prices for utility cows at Omaha have averaged in the upper $30's throughout the DTP slaughter period, except the first couple of weeks when they dropped to the low $30's. Prices are expected to remain near these levels until cow slaughter declines seasonally in late fall. Prices could rise to the low $40's.

1987 Beef Supplies To Drop; Prices To Strengthen

A beginning 1987 cattle inventory of 100 to 101 million head alone would suggest sharply reduced beef supplies even if 35 to 36

Table 11--13-States cattle on feed, placements, marketings, and other disappearance 1/

Year	Cattle on feed 2/	Change previous year	Placed on feed	Change previous year	Fed cattle marketed	Change previous year	Other disappear-ance	Change previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1983:								
I	10,271	13.8	5,027	-9.8	5,694	4.6	451	33.0
II	9,153	3.8	5,894	2.0	5,527	6.1	450	10.0
III	9,070	1.0	5,583	-4.5	5,891	2.0	298	17.3
IV	8,465	-3.8	7,272	+.8	5,436	1.2	393	6.2
Year	---	---	23,776	-2.6	22,548	3.4	1,592	16.0
1984:								
I	9,908	-3.5	5,511	+9.6	5,714	+0.4	365	-19.1
II	9,340	+2.0	5,562	-5.7	5,620	+1.7	582	+29.3
III	8,700	-4.1	6,252	12.0	5,684	-3.5	268	-10.1
IV	9,000	6.3	7,592	4.4	5,522	1.6	417	6.1
Year	---	---	24,917	4.8	22,540	0	1,632	2.5
1985:								
I	10,653	7.3	5,315	-3.4	5,907	3.4	373	2.2
II	9,688	3.7	5,206	-6.5	5,787	3.0	437	-24.9
III	8,660	-.5	5,465	-12.6	5,967	5.0	244	-9.0
IV	7,937	-11.8	7,275	-4.2	5,194	-5.9	324	-22.3
Year	---	---	23,267	-6.6	22,855	1.4	1,378	-15.6
1986:								
I	9,694	-9.0	5,260	-1.0	5,723	-3.1	316	-15.3
II	8,915	-8.0	5,181	-.5	5,771	-.3	375	-14.2
III	7,950	-8.3						

1/ Revised. 2/ Beginning of quarter.

percent of the herd is slaughtered. Fed cattle marketings are likely to remain near this year's level at least through mid 1987. However, given the expected reduced nonfed slaughter levels, even if the cattle inventory only begins to stabilize, beef supplies may drop to near 73 pounds per capita. Sharpest declines will occur in hamburger and processing beef supplies.

Although beef prices are likely to rise in 1987, total red meat and poultry supplies will remain large. Sharpest year-to-year declines in per capita meat supplies are likely in first-half 1987. Expanding pork supplies together with continued poultry expansion will result in larger meat supplies and moderating prices by late 1987. Large supplies of the relatively lower priced competing meats, particularly poultry, will hold down price gains for beef.

Prices for Choice fed steers at Omaha in 1987 may peak in late spring to early summer when red meat supplies show the sharpest year-to-year declines. Very sharp gains in poultry supplies will continue to provide an attractive alternative for red meat consumption at even more favorable relative prices. Continued economic growth in 1987

Table 12--Feeder steer prices consistent with breakeven, given corn and fed steer prices 1/

Corn (farm price)	Choice steers, $/cwt				
	50	55	60	65	70
$/bu	Feeder steers, $/cwt				
1.25	53	62	71	80	89
1.50	51	60	69	78	86
1.75	49	58	67	76	84
2.00	47	56	65	73	82
2.25	45	54	63	71	80

1/ Assuming all other costs at June 1986 levels. Assumes milo equals 92 percent of the corn feeding value. (See Great Plains custom cattle feeding table.)

could influence consumers to buy the more expensive red meat cuts, particularly beef. Retail beef prices may rise 4 to 7 percent. However, supplies of steaks and roasts from large fed cattle marketings will remain near current levels, thus much of the price increase will occur in the hamburger and processing meat products where supplies are expected to drop sharply.

For the year, fed steers could average in the lower to mid $60's. Yearling feeder steers are likely to average $2 to $4 per cwt over the

fed price. Higher than anticipated retention of heifers for the breeding herd or lower grain prices would push the premium near the upper range or higher. Utility cow prices will likely average in the low $40's, with strongest prices also occurring in the spring.

Table 13--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	Oct. '85 Apr. '86	Nov. May	Dec. June	Jan. 86 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	Jun. Dec.
Expenses:									
600 lb. feeder steer	374.22	377.16	365.88	372.96	374.52	379.32	361.92	362.40	351.00
Transportation to feedlot-400 miles	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu)	94.50	98.55	100.35	102.60	102.60	102.60	102.60	107.10	104.85
Silage (1.7 tons)	31.17	32.36	33.12	34.67	34.39	33.97	33.97	33.55	31.03
Protein supplement (270 lb)	27.27	30.65	31.59	30.65	31.05	30.51	31.86	31.86	31.86
Hay (400 lb)	9.50	9.80	10.10	10.90	10.70	10.40	10.40	9.50	8.00
Total feed costs	162.44	171.35	175.16	178.81	178.74	177.48	178.83	182.01	175.74
Labor (4 hours)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet Medicine 3/	5.25	5.27	5.25	5.27	5.26	5.26	5.21	5.18	5.21
Interest on purchase (6 months)	23.93	24.12	23.40	23.68	23.78	24.09	22.44	22.47	21.76
Power, equip., fuel, shelter, deprec. 3/	24.46	24.57	24.46	24.57	24.53	24.55	24.29	24.16	24.29
Death loss (1% of purchase)	3.74	3.77	3.66	3.73	3.75	3.79	3.62	3.62	3.51
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs 3/	10.58	10.63	10.58	10.63	10.61	10.62	10.50	10.45	10.50
Total	639.14	651.39	642.90	654.17	655.70	659.63	641.32	644.81	626.53
SELLING PRICE REQUIRED TO COVER:									
Feed and feeder costs (1,050 lb) $/cwt	51.11	52.24	51.53	52.55	52.69	53.03	51.50	51.85	50.17
All costs (1,050 lb) $/cwt	60.87	62.04	61.23	62.30	62.45	62.82	61.08	61.41	59.67
Feed cost per 100 lb gain (450 lb)$/cwt	36.10	38.08	38.92	39.74	39.72	39.44	39.74	40.45	39.05
Choice steers, Omaha (900-1100 lb) $/cwt	53.68	55.79	54.08						
Net margin $/cwt	-7.19	-6.25	-7.15						
PRICES:									
Feeder steer, Choice (600-700 lb)									
Kansas City $/cwt	62.37	62.86	60.98	62.16	62.42	63.22	60.32	60.40	58.50
Corn $/bu 4/	2.10	2.19	2.23	2.28	2.28	2.28	2.28	2.38	2.33
Hay $/ton 4/	47.50	49.00	50.50	54.50	53.50	52.00	52.00	47.50	40.00
Corn silage $/ton 5/	18.34	19.04	19.48	20.39	20.23	19.98	19.98	19.74	18.25
Protein supplement (32-36%) $/cwt	10.10	11.35	11.70	11.35	11.50	11.30	11.80	11.80	11.80
Farm labor $/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	12.79	12.79	12.79	12.70	12.70	12.70	12.40	12.40	12.40
Transportation rate $/cwt. per 100 miles 7/	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1116.00	1121.00	1116.00	1121.00	1119.00	1120.00	1108.00	1108.00	1108.00

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in Iowa and Illinois. 5/ Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb hay. 6/ Average price paid by farmers in Iowa and Illinois. 7/ Converted from cents/mile for a 44,000-pound haul. 8/ Yardage plus commission fees at a Midwest terminal market. *Preliminary.

Table 14--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during: / Marketed during:	Oct. '85 Apr.	Nov. May	Dec. June	Jan. 86 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.
EXPENSES: ($/head)									
600-lb feeder steer	360.66	371.64	369.90	374.46	376.86	354.18	330.90	325.68	329.28
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:									
Milo (1,500 lb)	66.90	67.05	75.75	67.50	65.55	65.40	67.80	72.45	72.60
Corn (1,500 lb)	73.80	78.05	78.30	77.10	75.30	74.40	76.50	79.80	79.50
Cottonseed meal (400 lb)	36.80	38.40	36.80	38.00	40.00	42.00	42.00	42.00	40.40
Alfalfa hay (800 lb)	45.60	45.20	47.60	47.60	47.20	45.20	43.20	42.80	39.20
Total feed cost	223.10	226.70	238.45	230.20	228.05	227.00	229.50	237.05	231.70
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & 1/2 feed	27.15	27.89	28.12	30.60	30.68	29.23	24.51	24.43	24.48
Death loss (1.5 percent of purchase)	5.41	5.57	5.55	5.62	5.65	5.31	4.96	4.89	4.94
Marketing 2/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total	647.28	662.76	672.98	671.83	672.20	646.68	620.83	623.01	621.36
SELLING PRICE REQUIRED TO COVER: 3/ ($/cwt)									
Feed and feeder costs (1,056 lb)	55.28	56.66	57.61	57.26	57.28	55.04	53.07	53.29	53.12
All costs	61.30	62.76	63.73	63.62	63.66	61.24	58.79	59.00	58.84
Selling price 4/	55.91	57.95	55.81						
Net margin	-5.39								
Cost per 100-lb gain									
Variable costs less interest	50.50	51.25	53.60	51.96	51.54	51.26	51.69	53.19	52.13
Feed costs	44.62	45.34	47.69	46.04	45.61	45.40	45.90	47.41	43.34
PRICES:									
Choice feeder steer 600-700 lb Amarillo $/cwt	60.11	61.94	61.65	62.41	62.81	59.03	55.15	54.28	54.88
Transportation rate $/cwt/100 miles 5/	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt 6/	4.46	4.47	5.05	4.50	4.37	4.36	4.52	4.83	4.84
Corn $/cwt 6/	4.92	5.07	5.22	5.14	5.02	4.96	5.10	5.32	5.30
Cottonseed meal (41%) $/cwt 7/	9.20	9.60	9.20	9.50	10.00	10.50	10.50	10.50	10.10
Alfalfa hay $/ton 8/	114.00	114.00	113.00	119.00	118.00	113.00	108.00	107.00	98.00
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	11.50	11.50	11.50	12.50	12.50	12.50	11.00	11.00	11.00

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lbs in 180 days at 2.8 lbs per day with feed conversion of 8.4 lbs per pound gain. Revisions have been made per annual Agricultural Prices. 2/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 3/ Sale weight 1,056 lbs (1,100 lbs less 4-percent shrink). 4/ Choice slaughter steers, 900-1100 lbs, Texas-New Mexico direct. 5/ Converted from cents per mile for a 44,000-lb haul. 6/ Texas Panhandle elevator price plus $0.15/cwt handling and transportation to feedlots. 7/ Average prices paid by farmers in Texas. 8/ Average price received by farmers in Texas plus $30/ton handling and transportation to feedlots.

Hogs

In July, farrow-to-finish producer returns were the highest since 1982 with $61 per cwt barrows and gilts at the 7 major markets and low feed costs. The U.S. farm price of corn in mid-July was at $1.99 per bushel, the lowest price since October 1982. Since then corn prices have declined, further reducing the cost of producing hogs. Hog prices are expected to average in the mid to high $50's in second-half 1986. So producers' returns are expected to be the highest since 1982.

The continuing cutbacks in herd size and farrowing intentions indicated by the June 1 *Hogs and Pigs* report reflected continued poor returns and financial stress from early 1983 to early 1986. Although producers' returns improved greatly during May-July, and look favorable for the remainder of the year, the relatively high percentage of sows in the total slaughter in early July suggests that producers are not immediately responding. Some are taking advantage of relatively high prices to sell older sows to improve cash flow while others may have left the industry.

For example, a 470-pound sow would have sold in early July for $50 per cwt, while a 235-pound gilt ready to be marketed or enter the breeding herd would have sold for about

Table 15--Hogs on farms December 1, farrowings and pig crops, United States

Item	1984	1985	1986	1985/84	1986/85
	------ 1,000 head ------			-- Percent change --	
December 1					
Inventory	54,073	52,298		-3	
Breeding	6,933	6,780		-2	
Market	47,140	45,518		-3	
Under 60 lb	18,071	17,295		-4	
60-119 lb	12,013	11,698		-3	
120-179 lb	9,610	9,319		-3	
180 + lb	7,446	7,207		-3	
June 1					
Inventory	52,815	52,250	48,845	-1	-7
Breeding	7,401	6,997	6,390	-5	-9
Market	45,414	45,253	42,455	0	-6
Under 60 lb	19,377	18,968	17,585	-2	-7
60-119 lb	11,387	11,200	10,610	-2	-5
120-179 lb	8,111	8,245	8,045	+2	-2
180 + lb	6,539	6,840	6,215	+5	-9
Sows farrowing					
December 1/-February	2,563	2,542	2,520	-1	-1
March-May	3,131	3,026	2,791	-3	-8
December 1/-May	5,694	5,569	5,311	-2	-5
June-August	2,955	2,848		-4	
September-November	2,902	2,819		-3	
June-November	5,857	5,667	2/5,163	-3	-9
Pig crops 1/					
December 1/-February	18,757	19,095	19,280	+2	+1
March-May	23,646	23,435	21,778	-1	-7
December 1/-May	42,403	42,530	41,058	0	-4
June-August	22,346	22,005		-2	
September-November	21,837	21,471		-2	
June-November	44,183	43,476	3/39,755	-2	-9
		Number			
Pigs per litter					
December 1/-February	7.32	7.51	7.65	+3	+2
March-May	7.55	7.74	7.80	+3	+1
December 1/-May	7.45	7.64	7.73	+3	+1
June-August	7.56	7.73		+2	
September-November	7.52	7.62		+1	
June-November	7.54	7.67	3/7.70	+2	0

1/ December preceding year. 2/ Intentions. 3/ Average number of pigs per litter with allowance for trend.

$61 per cwt. Selling the sow and retaining of the gilt now to farrow this winter when both hog and corn prices are likely to be lower would generate over $90 in added cash to the operation.

Hog Inventory Down

The U.S. inventory of all hogs and pigs was estimated at 48.8 million head on June 1, down 7 percent from a year ago and the lowest for the date since 1975. The breeding inventory at 6.39 million head was 9 percent below a year ago and the smallest since June 1 estimates started in 1964. The market hog inventory totaled 42.5 million head, 6 percent below a year ago and the lowest since 1975. Sows farrowing during December 1985–May 1986 totaled 5.31 million head, down 5 percent from the previous year. In December, producers indicated intentions of having about the same number of sows farrow as a year ago. Pigs saved per litter were a record high 7.73, slightly above the record 7.64 set last year. The pig crop totaled 41.1 million head, 3 percent below last year.

The record pigs per litter was due, at least in part, to the development of cross bred gilts for the breeding herd and better management. In addition, a general rise in management standards occurred as many marginal producers left the industry.

Table 16—Hogs on farms June 1, farrowings and pig crops, 10 States 1/

Item	1984	1985	1986	1985/84	1986/85
	- - - 1,000 head - - -			- Percent change -	
June 1					
Inventory	41,915	41,650	38,045	-1	-9
Breeding	5,771	5,397	4,840	-6	-10
Market	36,144	36,253	33,205	0	-8
Under 60 lb	15,437	15,168	13,785	-2	-9
60-119 lb	9,187	9,100	8,360	-1	-8
120-179 lb	6,361	6,545	6,245	+3	-5
180 + lb	5,159	5,440	4,815	+5	-11
Sows farrowing					
December-February	1,964	1,955	1,940	0	-1
March-May	2,481	2,420	2,161	-2	-11
December-May	4,445	4,375	4,101	-2	-6
June-August	2,259	2,191	3/2,021	-3	-8
September-November	2,316	2,265	3/2,042	-2	-10
June-November	4,575	4,456	3/4,063	-3	-9
Pig crops					
December 2/-February	14,288	14,690	14,880	+3	+1
March-May	18,814	18,762	16,878	0	-10
December 2/-May	33,102	33,452	31,758	+1	-5
June-August	17,158	16,941		-1	
September-November	17,420	17,255		-1	
June-November	34,578	34,196		-1	
		Number			
Pigs per litter					
December 2/-February	7.27	7.51	7.67	+3	+2
March-May	7.58	7.75	7.81	+2	+1
December 2/-May	7.45	7.65	7.74	+3	+1
June-August	7.60	7.73		+2	
September-November	7.52	7.62		+1	
June-November	7.56	7.67		+1	

1/ Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Carolina, Ohio. 2/ December preceding year. 3/ Intentions.

Table 17--Hogs and pigs, breeding inventory and sow slaughter, United States 1/

Item	1983	1984	1985	1986
		Million head		
December 1 breeding 2/	7,475	7,391	6,933	6,780
December-May sow slaughter	1,850	2,083	1,918	1,865
Gilts added December-May	2,488	2,093	1,982	1,475
June 1 breeding	8,113	7,401	6,997	6,390
June-November sow slaughter	2,742	2,355	2,109	
Gilts added June-November	2,020	1,887	1,892	

1/ Estimated commercial. 2/ December previous year.

Table 18--Sow slaughter balance sheet, 10 States

Item	1983	1984	1985	1986
		Million head		
December 1 breeding 1/	5.7	5.6	5.3	5.3
December-February				
Comm. sow slaughter 2/	.7	.8	.8	.8
Gilts added	1.0	.6	.7	.5
March 1 breeding	6.0	5.4	5.2	5.0
March-May				
Comm. sow slaughter 2/	.7	.7	.7	.6
Gilts added	1.0	1.1	.9	.4
June 1 breeding	6.3	5.8	5.4	4.8
June-August				
Comm. sow slaughter 2/	1.0	.9	.8	
Gilts added	.5	.7	.8	
September 1 breeding	5.8	5.6	5.4	
September-November				
Comm. sow slaughter	1.0	.9	.8	
Gilts added	.8	.6	.7	

1/ December previous year. 2/ 75 percent of estimated U.S. commercial sow slaughter.

Producers as of June 1, both nationally and in the 10 quarterly reporting States, intended to have 9 percent fewer sows farrow during June–November. Pigs per litter may drop from the record-setting pace as hot weather breeding problems and a possible high proportion of gilt farrowings begin to show up in the latter part of the period. Intentions in the 10 quarterly States for June–August were 8 percent below a year ago, while September–November intended farrowings were down 10 percent.

During February–April, the breeding period for sows farrowing in June–August,

producers' returns were poor and those with mixed crop and livestock enterprises needed cash for planting expenses. As a result, producers marketed a larger proportion of gilts than normal, continuing a year-over-year reduction in the breeding hog inventory. So it is expected that producers will carry out their June 1 intentions.

Hog prices (both cash and futures) have risen sharply since the release of the *Hogs and Pigs* report on June 23, because inventory cutbacks were larger than the industry expected. Expectations of sharply higher returns usually would result in smaller cutbacks than previously planned. But, because of the long period of financial stress, producers need the improved returns before expanding their herds and facilities. Producers had time to modify some breeding decisions as the breeding season for sows farrowing during September-November is from May to July. In addition, actual farrowings may still be affected by hot weather breeding problems.

Abnormal Hot Weather Effects

Hot weather in the Midwest for about a week and throughout the month in the Southeast limited the movement of hogs to market in July and prices fluctuated. Packers have been bidding aggressively for the limited supply of hogs with prices reaching the low to mid $60's per cwt. However, because of the abundant supplies of other meats and rising retail pork prices, hog prices above $60 per cwt do not appear sustainable. Hog prices during the normal weather should average in the high $50's per cwt during August and decline seasonally in September. If unusually hot weather returns to the Midwest, weight gains and marketings will be slowed, holding up hog prices. Bunched marketings could occur to some extent as the weather cools, but with reduced slaughter numbers the impact would be minimal.

Although the Southeastern United States accounts for only about 15 percent of the Nation's hog production, this production is important to local slaughterhouses and retailers. Drought and abnormally hot weather since late June will reduce supplies of local grains and increase breeding problems. Hot weather reduces a boar's fertility for 4 to 6 weeks after the heat stress subsides. In females, hot weather will delay or prevent the occurrence of the estrus cycle, reduce ovulation rates, and increase embryonic deaths. Heat stress not as severe as in the Southeast also occurred briefly in mid-July in the North Central States, where about 80 percent of the hogs are produced. The heat stress in both areas may moderate the rise in pigs per litter over the past few years.

Pork Production To Decline

Commercial pork production in the third quarter is projected at 3,425 million pounds, down 4 percent from a year ago.
Third-quarter slaughter is largely drawn from the inventory of market hogs weighing 60-179 pounds on June 1, and that inventory was down 4 percent from a year ago. Third-quarter 1985 slaughter was abnormally high in relation to the market hog inventory and the December-February pig crop. The December 1985-February 1986 pig crop was 1 percent higher than in that period a year earlier. Commercial slaughter is projected to be 3 to 5 percent below a year ago, and the average dressed weight is expected to be about the

Table 19--Winter pig crop and hog slaughter

Year	Pig crop Dec.- Feb.	Commercial hog slaughter, July-Sept.	Slaughter as percent of pig crop
	1,000 head		Percent
1980	23,685	22,158	93.6
1981	21,045	21,277	101.1
1982	18,759	18,940	101.0
1983	20,877	21,373	102.4
1984	18,757	19,496	103.9
1985	19,095	20,556	107.7
1986	19,280		

Table 20--Spring pig crop and hog slaughter

Year	Pig crop March-May	Commercial hog slaughter, Oct.-Dec.	Slaughter as percent of pig crop
	1,000 head		Percent
1980	28,603	24,641	86.1
1981	26,560	24,026	90.5
1982	22,816	20,825	91.3
1983	26,532	24,334	91.7
1984	23,646	22,743	96.2
1985	23,435	21,721	92.7
1986	21,778		

same as last year's 173 pounds. The slaughter estimate is high compared to historical relations between third-quarter slaughter and the 60-179 pounds market hog inventory but is within the relationship between slaughter and the December-February pig crop.

Commercial pork production in fourth-quarter 1986 is forecast at 3,600 million pounds, down 6 percent from a year ago. This slaughter will be drawn principally from the inventory of market hogs weighing under 60 pounds on June 1, which was down 7 percent from a year ago. Commercial slaughter is projected to be down 5 to 7 percent from a year ago. The projected slaughter rate indicates little buildup of the breeding herd in the fourth quarter and imports of Canadian hogs for slaughter will remain near last year's level. The average dressed weight is expected to be about the same as last year's 176 pounds.

For all of 1986, commercial pork production is expected to total 14.1 billion pounds, down 4 percent from last year. Commercial slaughter may total nearly 81 million head, also down 4 percent, while the average dressed weight may be slightly higher than 1985's 174 pounds.

Although producers intended to have 9 percent fewer sows farrow in June-November, the U.S. breeding inventory would support a smaller reduction. If producers in the 10 quarterly reporting States follow their intentions, and considering the breeding inventory outside those States, U.S. producers may have about 7 percent fewer sows farrow. The trend is for a small increase in pigs saved per litter, which may be moderated late in the period because of heat stress during the latter part of the breeding season. So, the June-November pig crop may be down 5 to 7 percent. This would mean commercial production would drop 4 to 6 percent in first-half 1987.

Due to improving returns and abundant corn supplies in second-half 1986 and early 1987, the number of sows farrowing during December 1986-February 1987 is expected to increase moderately over the comparable period in 1985/86. The number of pigs per litter is expected to be about the same because there will probably be a higher

Table 21--Federally inspected hog slaughter

Week ended	1984	1985	1986
	Thousands		
Jan. 1 1/	1,350	1,238	1,153
7	1,418	1,295	1,250
14	1,708	1,679	1,635
21	1,625	1,615	1,654
28	1,577	1,528	1,563
Feb. 5	1,543	1,565	1,506
12	1,571	1,582	1,526
19	1,578	1,508	1,512
26	1,579	1,539	1,501
Mar. 5	1,656	1,608	1,606
12	1,791	1,635	1,635
19	1,691	1,638	1,650
26	1,681	1,647	1,556
Apr. 2	1,695	1,642	1,579
9	1,695	1,569	1,518
16	1,728	1,623	1,633
23	1,642	1,676	1,651
30	1,588	1,662	1,637
May. 7	1,635	1,702	1,619
14	1,664	1,699	1,606
21	1,579	1,705	1,560
28	1,578	1,580	1,518
June 4	1,367	1,361	1,307
11	1,591	1,592	1,471
18	1,541	1,561	1,459
25	1,431	1,535	1,373
July 2	1,438	1,476	1,118
9	1,105	1,171	
16	1,445	1,523	
23	1,378	1,427	
30	1,305	1,400	
Aug. 6	1,382	1,474	
13	1,406	1,556	
20	1,409	1,524	
27	1,479	1,531	
Sept. 3	1,502	1,601	
10	1,396	1,429	
17	1,657	1,690	
24	1,679	1,667	
Oct. 1	1,679	1,681	
8	1,699	1,644	
15	1,701	1,686	
22	1,754	1,620	
29	1,736	1,654	
Nov. 5	1,754	1,668	
12	1,742	1,654	
19	1,681	1,654	
26	1,446	1,697	
30	1,812	1,328	
Dec. 3	1,792	1,656	
10	1,692	1,566	
17	1,687	1,655	
24	1,238	1,153	

1/ Corresponding dates-1984: December 31, 1983; 1985: December 29, 1984; 1986: December 28, 1985

Table 22--Commercial hog slaughter 1/ and production

Year	Barrows and gilts	Sows	Boars	Total 2/	Average dressed weight	Commercial production 2/
	--- 1,000 head ---				Pound	Million pound
1983:						
I	19,141	852	219	20,212	172	3,483
II	20,267	1,053	246	21,666	174	3,771
III	19,648	1,450	274	21,372	171	3,657
IV	22,808	1,291	235	24,334	173	4,206
Year	81,864	4,646	974	87,584	173	15,117
1984:						
I	20,548	1,024	234	21,806	171	3,738
II	19,885	989	249	21,123	174	3,670
III	18,072	1,184	240	19,496	172	3,355
IV	21,310	1,197	236	22,743	174	3,957
Year	79,815	4,394	959	85,168	173	14,720
1985:						
I	19,726	927	217	20,871	173	3,618
II	20,171	947	225	21,343	175	3,743
III	19,260	1,075	222	20,556	173	3,553
IV	20,445	1,065	211	21,721	176	3,814
Year	79,602	4,015	875	84,491	174	14,728
1986: 3/						
I	19,240	920	188	20,347	175	3,565
II	19,221	896	196	20,313	176	3,567

1/ Classes estimated. 2/ Totals may not add due to rounding. 3/ Preliminary.

proportion of gilts farrowing. The pig crop may increase 4 to 6 percent. Commercial pork production may increase 4 to 6 percent in second-half 1987 over the comparable period in 1986. But for all of 1987, pork production is expected to be about the same as in 1986. Although the hog cycle will be in an expansionary phase in 1987, the year-to-year buildup is likely to be modest compared to previous cycles because producers will generate needed cash by selling rather than retaining gilts.

Pork Stocks Lowest Since 1977

Pork in cold storage totaled 247 million pounds on June 30, down 36 percent from a year earlier and the lowest for the date since 1977. Frozen bellies were down 30 percent and ham stocks 47 percent. The smaller frozen pork stocks will tighten supplies this summer and fall.

Feeding Margins Mixed in First-half 1986

Feeding margins for Corn Belt hog finishers were mixed during first-half 1986. Feed costs were steady, while the feeder pig price fluctuated. Positive margins were realized in the months with the highest hog prices.

Prices for 40- to 50-pound No. 1 and No. 2 feeder pigs in southern Missouri averaged nearly $40 per head during February-June 1986. In late June, prices rallied and reached an average in mid-July of $50 per head.

Pork Imports Decline

Pork imports totaled 526 million pounds, carcass weight, during first-half 1986, down 12 percent from a year ago. Canada, the largest exporter to the United States, increased its sales 17 million pounds or 8 percent. The Canadian dollar was slightly weaker against the U.S. dollar during first-half 1986 than a year ago. The second largest exporting country to the United States, Denmark, reduced exports by 68 million pounds, down 28 percent. The Danish krone has appreciated sharply against the dollar in recent months. However, the European Community has recently increased its export subsidy for pork exported to the United States

Table 23--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during: / Marketed during:	Nov. '85 Mar.	Dec. Apr.	Jan. '86 May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.
EXPENSES: ($/head)								
40-lb feeder pig	31.67	28.65	30.96	37.26	41.33	37.98	39.97	41.92
Corn (11 bu)	24.09	24.53	25.08	25.08	25.08	25.08	26.18	25.63
Protein supplement (130 lb)	16.51	24.70	16.90	16.71	16.90	16.90	16.90	17.16
Total feed	40.60	49.23	41.98	41.79	41.98	41.98	43.08	42.79
Labor & management (1.3 hr) 2/	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83
Vet medicine 2/	2.66	2.64	2.66	2.65	2.65	2.63	2.63	2.63
Interest on purchase (4 months)	1.35	1.22	1.31	1.58	1.75	1.57	1.65	1.73
Power, equip., fuel, shelter, depreciation 2/	6.46	6.43	6.46	6.45	6.45	6.38	6.38	6.38
Death loss (4% of purchase	1.27	1.15	1.24	1.49	1.65	1.52	1.60	1.68
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscell. & indirect costs	.66	.66	.66	.66	.66	.65	.65	.65
Total	97.11	102.43	97.71	104.32	108.93	105.16	108.41	110.23
SELLING PRICE REQUIRED TO COVER: ($/cwt)								
Feed and feeder costs (220 lb)	32.85	35.40	33.15	35.93	37.87	36.35	37.75	38.50
All costs (220 lb) $/cwt	44.14	46.56	44.42	47.42	49.51	47.80	49.28	50.10
Feed cost per 100-lb gain (180 lb)	22.56	27.35	23.32	23.21	23.32	23.32	23.93	23.77
Barrows and gilts 7 markets $/cwt	40.88	40.27	46.91	54.50				
Net margin $/cwt	-3.26	-6.29	2.49	+7.08				
PRICES:								
40-lb feeder pig (So. Missouri) $/head	31.67	28.65	30.96	37.26	41.33	37.98	39.97	41.92
Corn $/bu 3/	2.19	2.23	2.28	2.28	2.28	2.28	2.38	2.33
Protein supp. (38-42%) $/cwt 4/	12.70	19.00	13.00	12.85	13.00	13.00	13.00	13.20
Labor & management $/hr 5	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33
Interest rate (annual)	12.79	12.79	12.70	12.70	12.70	12.40	12.40	12.40
Transportation rate $/cwt (100 miles) 6/	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1121.00	1116.00	1121.00	1119.00	1120.00	1108.00	1108.00	1108.00

1/ Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market. *Preliminary.

by 80 percent and is currently considering further increases. Some increases in Danish exports to the U.S. are expected in the coming months.

The number of live hogs imported from Canada totaled 244,000 head during January-June 1986, down 72 percent from a year ago. Countervailing duties of $Can4.386 per cwt were levied last summer. Weekly reports from Agriculture Canada indicate that live hog exports to the United States are picking up. Prior to June, these reports indicated live hog exports were running about 5,000 head per week. Since then, these exports have about doubled as U.S. hog prices have risen sharply. For all of 1986, hog imports from Canada may total 500,000 to 700,000 head.

Hog Prices To Average Above a Year Ago

Hog prices averaged about $61 per cwt in July and may remain near that level through most of August when pork production is seasonally low. In September when production increases seasonally, prices may fall to the

Table 24--Feeder pig prices consistent with break-even, given corn and market hog prices 1/

Corn (farm price)	Barrow and gilts, $/cwt 40	54	50	55	60	65
$/bu	Feeder pigs, $ per head					
1.25	32	43	54	65	76	87
1.50	29	40	51	62	73	84
1.75	26	37	48	59	70	81
2.00	23	34	45	56	67	78
2.25	21	32	43	54	65	76

1/ Assuming protein and other costs at June 1986 levels.

mid-$50's. The relatively high prices are due to a reduced rate of slaughter, low stocks of frozen pork, and fewer imports of pork products and live hogs. Higher poultry production is tempering hog price gains. Also, real disposable per capita income is expected to continue to grow sluggishly. Prices are expected to average $56 to $60 in the third quarter then drop slightly as production picks up this fall. In the fourth quarter, prices are expected to average $53 to $57 per cwt at the 7 major markets.

Hog prices are projected to average in the low to mid-$50's in 1987 compared to near $51 in 1986. Red meat supplies may be moderately lower in 1987, strengthening hog prices. However, poultry is expected to continue its long term rise, tempering hog price increases. The likelihood of a slow growing economy does not imply much strength to hog prices.

Sheep and Lambs

Choice lamb prices at San Angelo averaged $77 per cwt in the second quarter, $4 higher than the 1979 record. High lamb prices and lower feed costs have greatly improved producers' returns over those in the early 1980's. Normally, the high returns would encourage a sharp expansion in the sheep inventory. However, current slaughter data indicate that only a small expansion may be occurring. Perhaps flock rebuilding is occurring in some areas hit with drought in recent years.

Commercial lamb and mutton production in first-half 1986 totaled 167 million pounds,

Table 25--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs and year-lings	Mature sheep	Total 2/	Average dressed weight	Commer-cial produc-tion 2/
	- - 1,000 head - -			Pound	Mil lb
1982:					
I	1,521	81	1,602	56	90
II	1,406	131	1,537	55	85
III	1,500	128	1,628	54	88
IV	1,555	127	1,681	55	93
Year	5,982	467	6,449	55	356
1983:					
I	1,533	91	1,624	57	93
II	1,441	135	1,576	56	89
III	1,597	142	1,739	54	94
IV	1,555	125	1,680	54	91
Year	6,126	493	6,619	55	367
1984:					
I	1,611	104	1,715	57	98
II	1,544	162	1,706	54	92
III	1,513	146	1,659	53	88
IV	1,559	119	1,678	55	93
Year	6,227	531	6,758	55	371
1985:					
I	1,539	90	1,629	57	93
II	1,363	118	1,481	56	83
III	1,403	114	1,417	56	85
IV	1,460	92	1,551	59	91
Year	5,765	414	6,078	228	352
1986: 3/					
I	1,438	72	1,510	60	90
II	1,246	97	1,342	58	78

1/ Class estimated. 2/ May not add due to rounding. 3/ Preliminary.

down 5 percent from a year ago. Commercial lamb and sheep slaughter totaled 2.85 million head, down 8 percent from last year. Mature sheep accounted for 5.9 percent of the total slaughter during first-half 1986, compared to 6.6 percent a year ago and 7.8 percent 2 years ago. The average dressed weight was 59 pounds, compared to 57 pounds a year ago. Commercial lamb and mutton production in second-half 1986 is forecast to be down 8 percent from 1985 due to the flock reduction in recent years. In 1987, flocks may increase slightly over 1986, but commercial lamb and mutton production may decline 2 to 4 percent as flocks continue to slowly increase.

Lamb prices are expected to average in the high $60's to low $70's due to the reduced supply during second-half 1986. If prices average in the low $70's, they will be the

Table 26—Colorado lamb feeding: Selected costs at current rates 1/

Purchased during: / Marketed during:	May '85 / July '85	June / Aug.	July / Sept.	Aug. / Oct.	Sept. / Nov.	Oct. / Dec.	Nov. / Jan. '86	Dec. / Feb.	Jan. '86 / Mar.	Feb. / Apr.	Mar. / May	Apr. / June
EXPENSES: ($/head)												
Feeder lamb (83 lbs)	53.12	59.22	58.52	58.70	59.21	55.88	58.39	58.73	58.18	60.99	61.42	66.38
Corn (3.0 bushels)	7.89	8.64	8.37	8.25	7.65	6.75	6.87	7.20	7.32	7.38	7.35	7.32
Hay pellets (64 lbs)	2.58	2.43	2.37	2.35	2.37	2.45	2.62	2.70	2.74	2.75	2.75	2.75
Protein supplement	.15	.14	.16	.17	.18	.18	.18	.19	.20	.20	.21	.20
Feed additives 2/	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.98	1.97
Total feed costs	12.62	13.22	12.89	12.77	12.20	11.38	11.68	12.09	12.25	12.33	12.30	12.24
Labor	.62	.62	.62	.61	.61	.61	.59	.59	.59	.59	.59	.59
Dealth loss	1.22	1.36	1.35	1.35	1.36	1.29	1.34	1.35	1.34	1.40	1.41	1.53
Vet. and medicine 3/	.37	.37	.37	.37	.37	.37	.36	.36	.36	.36	.36	.36
Miscellaneous and indirect costs 4/	.79	.78	.78	.78	.78	.78	.78	.78	.78	.78	.78	.77
Machine hire 5/	1.64	1.63	1.63	1.61	1.60	1.60	1.58	1.58	1.58	1.57	1.59	1.55
Interest on operating capital	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Total	70.62	77.30	76.27	76.28	76.21	72.06	74.83	75.58	75.20	78.07	78.47	83.34
SELLING PRICE REQUIRED TO COVER:												
Feed and feeder ($/cwt) costs (121 lbs)	54.33	59.87	59.02	59.06	59.02	55.59	57.91	58.53	58.21	60.59	60.92	64.98
All costs (121 lbs)	58.36	63.89	63.03	63.04	62.99	59.55	61.84	62.46	62.15	64.52	64.83	68.88
Feed costs per 100-lb gain	33.21	34.78	33.93	33.60	32.10	29.96	30.73	31.81	32.25	32.45	32.36	32.22
Choice slaughter lambs, So. St. Paul	71.38	71.00	68.31	64.52	64.11	60.10	62.70	70.40	66.60	70.70	78.72	72.20
Net margin	13.02	7.11	5.28	1.48	1.12	.55	.86	7.94	4.25	6.18	13.87	3.32
PRICES:												
Feeder lamb, choice $/cwt St. Paul	64.00	71.35	70.50	70.72	71.34	67.32	70.35	70.76	70.10	73.48	74.00	79.98
Corn $/bu	2.63	2.88	2.79	2.75	2.55	2.25	2.29	2.40	2.44	2.46	2.45	2.44
Alfalfa pellets $/ton	80.75	76.00	74.00	73.50	74.00	76.60	82.00	84.40	85.50	86.00	86.00	86.00
Soybean meal 44% $/ton solvent	114.80	113.30	122.70	129.50	141.70	143.60	142.20	147.30	154.80	154.90	164.80	159.60
Interest rate, annual 6/	13.37	13.37	13.22	13.22	13.22	13.12	13.12	13.12	12.73	12.73	12.73	12.73
Farm labor 1977=100	158	158	154	154	154	150	150	150	150	150	150	150
Index of prices paid by farmers (1977=100)	165	164	163	163	162	162	163	162	163	163	163	160
Ag chemicals 1977=100	128	128	128	128	128	128	128	128	128	128	127	126
Tractor and self-propelled equip. 1977=100	180	177	177	177	174	174	174	174	174	174	174	175
Other machinery 1977=100	182	184	184	184	184	184	184	184	184	184	184	184
Fuels and energy 1977-=100	203	204	204	203	203	202	206	206	203	188	188	160

1/ Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expenses items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production levels, and locality of operation. 2/ Adjusted by prices paid by farmers for agricultural chemicals. 3/ Adjusted by prices paid by farmer for agricultural chemicals (30 percent) and farmer labor (70 percent). 4/ Adjusted by the prices paid by farmers for commodities, services, interest taxes, and wage rates. 5/ Adjusted by prices paid for tractor and self-propelled equipment (40 percent) other machinery (1 percent) labor (50 percent) and fuels and energy (3 percent). 6/ Average interest rate on agricultural operating loans in the 10th Federal Reserve District as reported by the Kansas City Federal Reserve Bank.

highest on record for the third and fourth quarters. For all of 1986, lamb prices may average about $71 per cwt and slightly higher next year.

Retail Beef and Pork Prices

Composite retail beef prices averaged $2.27 per pound in the second quarter, down 3 percent from a year ago and the lowest quarterly average since third-quarter 1985. Beef and total meat supplies were slightly above year-ago levels. The farm-to-retail spread at $1.10 per pound was only slightly higher than a year ago. However, the June farm-retail spread at $1.13 was the highest in almost a year. Supplies of fed beef are expected to tighten in the coming months, so beef retail prices may average nearly $2.35 per pound during second-half 1986.

Composite pork retail prices averaged $1.64 per pound in the second quarter, up 3 percent from a year ago. Pork supplies declined 5 percent, but there were abundant supplies of competing meats. The farm-to-retail spread was 87 cents per pound, down 3 cents from a year ago and 12 cents from first-quarter 1986. During the second quarter, the spread fell 20 cents to 77 cents in June, the lowest monthly spread since July 1984. Pork and beef supplies are expected to be lower in second-half 1986, which will be a strengthening factor for retail pork prices. With much higher farm prices and pressure to increase the spread, retail pork prices are expected to average 8 to 10 percent higher than a year ago in second-half 1986.

POULTRY AND EGGS

Poultry production in the remainder of 1986 will likely increase from 1985. Prices in second-half 1986 are expected to be strengthened by smaller supplies of red meats and increased poultry exports.

Eggs

Egg production during second-half 1986 is expected to be 1 to 2 percent above 1985. During 1987, production may also be up nearly 2 percent from a year earlier in the first half, but about the same in the second half. Prices during the remainder of 1986 will likely be near to slightly above last year, but may average slightly lower in 1987.

First-Half Egg Production Even

Egg output during January-June 1986 totaled 2,839 million dozen, almost 1 million dozen more than 1985. With more hens in the laying flock in the second quarter, egg production was above last year even though the rate of lay was lower. The flock with a higher percentage of old hens was not as productive as in 1985 when producers were cutting back and selling their least productive hens. The gain in second-quarter production offset the decline in the first quarter. Increasing numbers of pullets were not available in the first quarter to boost the size of the flock, plus the older hens were slightly less productive than in 1985.

As a further indication that producers were not selling their old hens early in the year, the slaughter of light-type mature chickens was 12 percent below 1985. Many of the hens that were in the flocks had been force molted. The percent being molted in first-quarter 1986 was nearly the same as in 1985. However, 24 percent of the flock had been force molted, up from 17 percent in first-quarter 1985. During the second quarter, slaughter of light-type old hens was up 21 percent from 1985. Many of these hens were completing their second laying cycle. Removing older hens and adding more young pullets has pulled down the proportion of the flock that has been molted. However, the percent of hens that have been molted is still about 8 percentage points above 1985, when producers sold hens rather than putting them through a molt.

Table 27--Layers on farms and eggs produced, 1985-86 1/

Quarters	Number of layers		Eggs per layer		Eggs produced	
	1985	1986	1985	1986	1985	1986
	- Millions -		- Number -		Million dozen	
I	284	280	60.9	60.8	1,440.2	1,420.0
II	274	277	63.1	62.6	1,442.8	1,444.8
III	271		62.2		1,403.8	
IV	278		61.0		1,413.7	
Annual	277		247.0		5,700.1	

1/ Marketing year beginning December 1.

Table 28--Egg-type chick hatchery operations, 1984-1986

Month	Hatch			Eggs in incubator first of month		
	1984	1985	1986	1984	1985	1986
	- - Thousands - -			- - Percent - -		
Jan.	36,923	28,289	34,387	112	80	113
Feb.	37,451	28,419	34,745	112	76	125
Mar.	45,697	36,923	39,745	125	76	109
Apr.	47,936	40,873	42,656	127	82	106
May	49,005	38,967	42,686	131	80	105
June	46,545	33,838	37,402	128	72	106
July	37,424	32,094		125	80	110
Aug.	34,824	32,503		112	87	
Sept.	33,113	33,568		99	97	
Oct.	31,372	33,593		93	105	
Nov.	30,142	33,606		99	110	
Dec.	27,098	34,615		84	123	

Second-Half Production To Increase

Producers had force molted about the same percentage of the laying flock on the first of May, June, and July as last year. These hens will be kept for another laying cycle during second-half 1986. With the replacement pullets already hatched that will enter the flock in the second half, the number of hens in the laying flock will likely be up from 1985.

The rate of lay in second-half 1986 may be about the same as in 1985. While it was the same or below a year earlier in first-half 1986, producers were not selling hens to cut production in the second half of 1985 and the rate of lay was slightly lower than 1984. Thus with more hens and a rate of lay about the same, production should be up from 1985.

Table 29--Force moltings and light-type hen slaughter, 1984-86

Month	Force molted layers 1/						Light-type hens slaughtered under Federal inspection 2/		
	Being molted			Molt completed					
	1984	1985	1986	1984	1985	1986	1984	1985	1986
	- - - - Percent - - - -						- - - Thousands - - -		
January	3.4	2.3	3.6	24.1	17.8	25.2	10,394	18,928	13,914
February	4.9	4.6	4.8	22.9	16.6	23.5	9,751	13,674	12,358
March	5.4	3.8	4.2	22.4	15.6	24.3	11,602	13,311	14,210
April	4.4	3.0	2.8	22.8	15.6	24.0	11,684	13,822	14,761
May	5.1	5.6	5.4	22.3	14.6	22.1	13,657	12,377	13,277
June	7.4	6.0	4.4	20.5	16.0	22.8	13,932	9,080	
July	4.5	5.4	5.4	21.2	19.1	21.9	12,533	9,780	
August	4.3	4.4		21.3	20.3		14,307	10,204	
September	3.5	4.9		21.0	21.2		11,986	9,436	
October	3.2	5.8		19.9	21.6		16,277	9,499	
November	3.9	5.3		19.1	23.6		12,110	9,170	
December	2.7	3.2		19.0	25.2		13,768	13,200	

1/ Percent of hens and pullets of laying age in 17 selected States. 2/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.

Table 30--Egg prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Cents per dozen												
Farm price 1/													
1985	43.2	44.5	50.5	44.9	41.9	45.6	45.3	50.5	55.5	57.2	60.3	60.2	50.0
1986	58.2	53.6	61.7	50.5	48.8	41.9	51.5						
New York (cartoned) 2/ Grade A, large													
1985	61.5	58.1	65.5	59.9	55.7	64.4	60.2	69.8	73.5	73.8	77.8	76.0	66.4
1986	73.3	68.6	80.8	65.7	65.2	59.2	71.9						
4-region average, Grade A, large Retail price													
1985	74.6	78.4	79.0	78.3	74.5	72.4	78.7	78.9	85.7	86.0	87.2	90.6	80.4
1986	90.1	86.6	88.7	89.0	82.0	79.5							
Price spreads Retail-to-consumer													
1985	12.6	17.0	10.7	15.3	17.3	8.4	15.9	7.6	11.5	11.3	10.2	14.6	12.7
1986	14.9	17.2	10.0	21.9	16.8	20.5							
	1967=100												
Consumer price index													
1985	161.3	169.7	172.1	169.9	159.9	158.3	168.4	171.0	185.7	187.4	190.8	196.7	174.3
1986	194.4	186.7	190.8	188.8	173.7	166.9							

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982.
2/ Price to volume buyers.

Table 31--Shell eggs broken and egg products produced under Federal inspection, 1985-86

Period	Shell eggs broken	Egg products produced 1/		
		Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1985				
January	68,245	47,825	27,959	7,819
February	55,546	39,713	22,863	6,320
March	58,915	44,234	23,098	6,402
April	68,952	50,521	29,233	7,075
May	80,190	59,490	31,481	10,304
June	67,540	48,366	25,988	9,986
July	74,798	52,155	28,732	9,585
August	72,067	52,290	28,103	8,259
September	67,276	49,055	25,740	7,279
October	75,820	54,576	30,661	9,983
November	61,153	44,106	26,654	7,812
December	62,106	45,032	27,981	7,810
1986				
January	67,415	50,206	28,122	6,574
February	61,356	46,368	24,252	6,556
March	59,034	45,856	23,221	5,429
April	74,396	55,105	30,434	7,760
May	74,076	58,477	27,510	8,529
June	78,479	61,323	30,830	7,724

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption and for processing.

Hot Weather Slows Increase

The hot, humid weather in the southeastern United States during July has likely cut production, especially of larger eggs. This area in 1985 accounted for about 14 percent of the table egg production and 46 percent of the hatching egg production. Some layers have been lost and the heat may cause the birds to lay smaller and fewer eggs. Egg prices have been rising, suggesting concern about supplies, but available monthly production data do not yet cover July.

The stronger prices will improve returns, prompting producers to maintain output by retaining old hens. Thus, production in third-quarter 1986 may be up 1 to 2 percent from last year. Loan rates for corn will decline this fall under the new farm program. Low feed ingredient prices may reduce the cost of producing eggs. With a continual increase from last year in replacement pullets entering the laying flocks, egg production in fourth-quarter 1986 is expected to be 2 percent above last year.

Production in 1987 will likely be up in the first half of the year as the pullets placed in 1986 continue to boost egg production. However, returns may be near breakeven and replacement pullets could be cut back. If so, output in the second half will likely be near 1986 production.

Egg Prices To Rise

The price of cartoned Grade A large eggs in New York during first-half 1986 was above 1985. First-quarter prices were 12 cents higher and 8 to 9 cents above the cost of production. With increased production, and seasonally lower demand, prices in second-quarter 1986 slipped from their first-quarter level to average 63 cents per dozen, still up from 60 cents in 1985. The weaker U.S. dollar relative to the Japanese yen may explain the year-to-year increase in egg product exports and egg prices.

The heat and a short supply of large eggs have increased prices early in the third quarter. Egg prices strengthen seasonally after Labor Day as summer vacations end. Also, export demand is expected to remain above last year. Prices in the third quarter may average 73 to 77 cents per dozen, up from last year's 68 cents.

Increased prices for other high protein foods in fourth-quarter 1986 are expected to help strengthen egg prices. Exports may continue strong. However, the stronger demand for eggs will be offset by larger supplies, and prices are expected to average 68 to 72 cents per dozen, down from 76 cents last year.

With increased egg supplies in first-half 1987, prices may average in the low to mid-60 cents per dozen, down from 69 cents in 1986. Prices may strengthen and average above 1986 in the second half if producers hold output at 1986 levels.

Lower Domestic Use; Higher Exports

Consumption of shell eggs and the shell equivalent of egg products during January-June totaled an estimated 125 eggs per person, 2 below 1985. The expansion in

Table 32--Total eggs: Supply and utilization by quarters, 1985-86

Year	Supply					Utilization				
	Production	Imports 1/	Beginning stocks	Total supply	Ending stocks 1/	Exports and shipments 1/	Hatching use	Military 1/	Civilian disappearance Total	Civilian disappearance Per capita 2/
	- - Million dozen - -									Number
1985										
I	1,430.5	2.2	11.1	1,432.9	11.0	24.5	136.1	5.1	1,267.2	64.4
II	1,407.5	3.3	11.0	1,409.6	11.9	24.5	139.7	5.6	1,239.7	62.8
III	1,407.7	2.3	12.2	1,409.1	13.1	25.0	133.7	4.5	1,245.9	63.0
IV	1,441.8	4.9	13.1	1,448.7	10.7	27.0	138.6	5.0	1,278.5	64.5
Year	5,687.5	12.7	11.1	5,700.2	10.7	101.0	548.1	20.2	5,031.3	254.6
1986 3/										
I	1,421.4	3.6	10.7	1,435.7	8.7	33.4	138.5	4.6	1,250.4	62.9
II	1,417.5	4.6	8.7		11.8		144.6			
III			11.8							

1/ Shell eggs and the approximate shell-egg equivalent of egg products. 2/ Calculated from unrounded data. 3/ Preliminary.

Table 33--Shell eggs: Supply and utilization by quarters, 1985-86 1/

Year	Supply						Utilization				
	Beginning stocks	Production	Hatching use	Eggs broken	Imports	Total supply	Ending stocks	Exports and shipments	Military	Civilian disappearance Total	Civilian disappearance Per capita 2/
	- - - - Million dozen - - - -										Number
1985											
I	0.9	1,430.5	136.1	182.7	.9	1,113.5	0.7	13.9	4.4	1,094.5	55.6
II	.7	1,407.5	139.7	216.7	2.3	1,054.2	.6	15.0	5.1	1,033.5	52.4
III	.6	1,407.7	133.7	214.1	1.1	1,061.6	.7	12.9	4.0	1,044.0	52.8
IV	.7	1,441.8	138.6	199.1	4.3	1,109.1	.7	14.2	4.3	1,089.8	55.0
Year	.9	5,687.5	548.1	812.6	8.6	4,336.3	.7	56.0	17.8	4,261.8	215.7
1986 3/											
I	.7	1,421.4	138.5	187.8	3.0	1,098.9	.6	13.0	4.3	1,081.0	54.4
II	.6	1,417.5	144.6	227.0	3.3		1.1				
III	1.1										

1/ Totals may not add because of rounding. 2/ Calculated from unrounded data. 3/ Preliminary.

broiler production plus increased replacement pullets resulted in more eggs being used for hatching purposes. Larger exports also cut domestic use. In second-half 1986, increased egg production may offset population growth and increased exports, causing per capita egg consumption to rise above last year.

Exports of shell eggs and the shell equivalent of egg products totaled 48 million dozen, up 45 percent from January-June 1985. Most of the increase came from egg products, which were up 88 percent because shell egg exports declined 11 percent. Egg product exports made up 74 percent of the total shell equivalent exports. During January-May 1986, shipments of eggs to U.S. territories totaled 12 million dozen (shell equivalent), down 7 percent from 1985.

Broilers

Broiler meat output will continue to increase during the remainder of 1986 and throughout 1987. Reduced red meat supplies will likely strengthen broiler prices during the remainder of 1986 and through much of 1987. In addition, the supply of lower priced red

meat cuts and hamburger may be down more than all red meat, providing additional strength for broiler prices. Many restaurants are adding chicken products to their menus, helping to increase demand for broilers. New product introductions have been particularly strong in the fast-food sector.

Output To Rise

Production of broiler meat from federally inspected plants during the first 6 months of 1986 totaled 7.1 million pounds, up 5 percent from 1985. Favorable net returns have encouraged producers to expand production. In fact, the positive net returns would have been expected to encourage a larger increase than actually resulted. This suggests that the industry may have been operating near grow-out capacity this spring, when production typically peaks. There have been reports of leasing arrangements to build additional grow-out houses. In addition, the size of the hatchery supply flock may have been limiting the expansion. Data are not collected on the size of the hatchery supply flock, but the cumulative pullet chick placements 7 to 14 months earlier are used as an indication. Cumulative placements in 1984-85 caused the supply flock in first-half 1986 to rise an estimated 2 percent from a year earlier. Placements made for second-half 1986 will push the cumulative placements 4 to 5 percent above last year.

The number of chicks hatched in May and June for third-quarter slaughter was up 3.8 percent from last year. Weekly placements in July suggest hatch may be nearly 5 percent above last year. However, the hot weather in July caused some loss of broilers and lower slaughter weights. Therefore, third-quarter output will likely be up 4 percent from last year. Producers are expected to continue expanding production in the fourth quarter and output may be 6 percent above last year. Producers probably have facilities to increase fourth-quarter production by 9 to 10 percent. To do this, they would have to produce near the summer-quarter level, which appears possible with cooler weather. The hatching flock may limit this type of increase. If fast food demand remains strong, fourth-quarter production could remain near second-quarter levels.

The broiler industry will continue to expand production in 1987. Broiler-type pullet chick placements for hatchery supply flocks in June were up 11 percent from last year. These pullets will be providing hatching eggs for use in January 1987. The actual size of the expansion will depend in part on general

Table 34--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1984-86

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks: Monthly placements			Pullet chicks placed in broiler hatchery supply flocks: Cumulative placements 7-14 months earlier		
	1984	1985	1986	1984	1985	1986	1985	1986	1987
	Thousands								
January	370,487	401,666	409,419	3,202	3,471	3,395	27,277	27,483	29,039
February	356,503	364,542	375,977	2,977	3,017	3,420	27,286	27,940	
March	397,674	418,842	429,634	3,451	3,603	3,675	26,771	27,374	
April	394,806	411,739	423,881	4,012	3,884	4,062	26,647	27,156	
May	408,825	423,991	438,465	3,520	3,672	3,938	26,733	27,321	
June	396,961	410,781	428,301	3,399	3,162	3,515	26,225	27,002	
July	393,385	407,502		3,135	3,400		25,944	26,868	
August	394,491	406,426		3,075	3,165		25,895	26,591	
September	361,887	380,138		3,078	3,253		25,513	26,849	
October	367,438	382,559		3,063	3,182		25,981	27,124	
November	356,782	379,050		2,943	3,284		26,790	28,021	
December	394,691	416,533		3,731	3,750		27,384	28,706	

Table 35--Broilers: Eggs set and chicks placed weekly in 12 commercial States, 1984-86 1/

Period 2/ Month and day 2/	Eggs set 1984/85	Eggs set 1985/86	Eggs set Percent of previous year	Chicks placed 1984/85	Chicks placed 1985/86	Chicks placed Percent of previous year
	- - - Thousands - - -		Percent	- - - Thousands - - -		Percent
November						
16	102,140	108,016	106	71,268	75,079	105
23	101,628	108,136	106	77,611	82,591	106
30	101,377	107,604	106	78,998	81,987	104
December						
7	99,046	105,737	107	78,778	83,507	106
14	99,304	105,940	107	77,968	82,762	106
21	102,094	105,292	103	77,902	82,975	107
28	102,712	106,446	104	76,129	81,053	106
January						
14	104,169	106,470	102	76,082	81,203	107
11	103,785	105,619	102	79,576	81,270	102
18	103,439	105,496	102	80,342	82,369	103
25	100,812	105,958	105	80,879	81,874	101
February						
1	102,421	108,887	106	80,027	81,225	101
8	104,873	109,544	104	79,803	79,993	100
15	105,571	109,260	103	77,742	80,676	104
22	105,148	109,848	104	79,227	82,979	105
March						
1	105,873	109,357	103	80,947	82,851	102
8	106,290	110,042	104	82,111	83,343	102
15	105,682	109,645	104	81,925	84,099	103
22	104,360	108,286	104	83,201	85,368	103
29	106,801	110,468	103	82,707	86,500	105
April						
5	106,662	110,118	103	82,861	85,413	103
12	106,615	110,838	104	81,563	81,563	100
19	106,177	110,220	104	83,498	85,387	102
26	105,369	108,762	103	83,670	85,404	102
May						
3	106,070	111,570	105	84,312	85,165	101
10	105,269	110,212	105	83,793	85,340	102
17	105,443	111,519	106	82,532	83,883	102
24	107,015	111,079	104	83,200	86,444	104
31	106,807	111,583	104	82,936	85,825	103
June						
7	106,854	110,931	104	82,668	86,074	104
14	106,400	111,061	104	83,225	86,420	104
21	104,289	110,981	106	82,937	85,520	103
28	99,539	105,316	106	84,294	86,063	102
July						
5	103,774			82,705		
12	104,112			80,821		
19	104,010			77,200		
26	104,382			80,847		
August						
2	103,308			80,892		
9	102,538			80,672		
16	102,022			79,759		
23	102,797			80,103		
30	101,352			79,493		
September						
6	98,230			78,820		
13	98,159			79,315		
20	94,421			77,653		
27	100,998			75,111		
October						
4	101,617			74,593		
11	99,787			71,954		
18	91,595			76,912		
25	97,589			77,582		
November						
1	106,566			76,864		
8	105,826			70,497		

1/ 19 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., S.C., Tex., Va., W.Va., La., Mo., Tenn., Oreg., and Wash. 2/ Weeks in 1984/85 and corresponding weeks in 1983/84.

Table 36--Young chicken prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per pound							
Farm price 1/													
1985	31.1	30.9	29.7	28.5	30.0	31.5	30.3	29.5	30.5	28.4	31.7	30.0	30.2
1986	30.5	29.0	30.2	29.9	30.9	34.0	42.4						
Wholesale RTC 12-city av. 2/													
1985	52.8	51.9	49.7	47.8	50.9	53.4	50.2	50.1	52.2	48.3	53.7	48.7	50.8
1986	51.7	49.0	50.3	50.0	54.6	58.3	69.1						
4-region av. retail price													
1985	77.3	77.2	76.9	76.4	74.5	76.1	75.3	75.7	76.2	74.9	77.8	77.6	76.3
1986	76.6	77.1	76.7	75.2	76.9	79.5							
Price spreads Retail-to-cons.													
1985	20.2	20.1	21.9	23.7	18.7	17.8	18.2	19.6	18.2	20.6	19.3	22.9	20.1
1986	19.5	21.8	21.0	19.2	16.3	15.5							
							1967 = 100						
Retail pr. index Wh. chickens													
1985	214.3	216.5	215.7	215.0	209.2	213.7	211.8	212.8	214.3	210.4	216.5	221.3	214.3
1986	215.3	216.5	217.3	213.0	217.5	225.2							

1/ Live weight. 2/ Beginning May 1983, 12-city composite weighted average.

economic conditions and the resulting demand for chicken. For first-half 1987, producers appear to be planning to increase production 6 to 7 percent over 1986. With the current demand for chicken, reduced red meat supplies, and expected lower feed costs, prospects for profitable operations appear favorable even with this amount of expansion. Grow-out houses may provide a capacity limitation in the second quarter, if incentives are not there to stimulate construction. Current grower payments may not cover financial obligations on a new broiler house and meet their other cash expenses. Payments may have to be increased to stimulate investment. In addition, bankers may be reluctant to loan funds for more houses.

Broiler Prices Above Last Year

The demand for broiler meat has strengthened in recent months as more restaurants have added chicken entrees, export enhancement programs have resulted in more exports, and supplies of pork have declined. The stronger demand more than offset increased production in second-quarter 1986. The price for a composite of whole bird with and without giblets plus branded broilers in the 12 cities in second-quarter 1986 averaged 54 cents per pound, up from 51 cents in 1985. The heat and humidity in July caused broiler losses to be above normal in the Southeast. These losses, plus a slower rate of growth, held down broiler supply increases and boosted prices even further. As a result, prices during July averaged 69 cents per pound, up sharply from 1985's 50 cents. During the third quarter, prices are expected to average 64 to 68 cents per pound, up from 51 cents last year. With additional output in the fourth quarter and a normal seasonal slackening in demand, broiler prices would be below last year. However, smaller red meat supplies, especially lower priced cuts and hamburger, plus continuing demand from fast-food restaurants may result in prices averaging 55 to 59 cents per pound, up from 50 cents last year.

In first-half 1987, prices of broilers in the 12 cities may average near 53 cents per pound, near 1986's 52 cents, as sharply larger supplies offset the price-boosting effects of strong restaurant and export demand and smaller red meat supplies.

Table 37--Estimated costs and returns, 1985-86 1/

Year	Production costs: Feed	Production costs: Total	Wholesale: Total costs 2/	Wholesale: Price 3/	Net returns
Market eggs (cts/doz)					
1985					
I	28.1	46.3	66.8	63.7	-3.1
II	28.0	46.2	66.7	61.1	-5.6
III	26.9	45.1	65.6	68.9	3.3
IV	26.0	44.2	64.7	75.9	11.2
Year 4/	27.3	45.5	66.0	67.5	1.5
1986					
I	27.0	45.2	65.7	74.3	8.7
II	27.1	45.3	65.8	66.2	.4
Broilers (cts/lb)					
1985					
I	15.3	23.3	45.5	51.5	6.1
II	15.0	23.0	45.0	50.6	5.6
III	14.5	22.5	44.4	50.8	6.4
IV	13.9	21.9	43.6	50.0	6.4
Year 4/	14.7	22.7	44.6	50.7	6.1
1986					
I	14.7	22.7	44.7	50.4	5.7
II	15.0	23.0	45.1	52.3	7.2
Turkeys (cts/lb)					
1985					
I	22.5	36.2	61.5	69.3	7.7
II	21.8	35.5	60.7	65.4	4.7
III	21.3	35.0	60.1	78.3	18.2
IV	20.5	34.2	59.0	89.9	30.8
Year 4/	21.4	35.1	60.1	77.3	17.1
1986					
I	20.9	34.6	59.6	60.8	1.3
II	21.6	35.3	60.4	66.7	6.2

1/ Costs are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 13-metro area egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb. young hens and 14-22 lb. toms in Central, Western, and Eastern Regions. 4/ Weighted average.

Young Chicken Exports Above 1985

U.S. exports of young chickens (primarily broilers) and chicken parts during the first 6 months of 1986 totaled 256 million pounds, 27 percent more than in 1985. The increase was in both whole birds and parts, but parts were up 24 percent to 236 million pounds and whole birds were up 71 percent to 20 million. During the second quarter, Japan was the major importer of young chicken, followed by Hong Kong and Jamaica. The stronger yen in relation to the dollar probably helped increase exports to Japan.

Turkeys

Turkey production is expected to increase through 1986 and 1987 but prices will likely remain strong, resulting in favorable returns.

Turkey Production Continues To Rise

Output of turkey meat from federally inspected plants during January-June totaled 1,268 million pounds, up 14 percent from 1985. The increase was mainly from larger slaughter, because the average weight was nearly the same. In addition, more turkey is being further processed and cut-up. During first-half 1986, 694 million pounds were further processed, up 15 percent from 1985. Whole carcass turkey basted, barbecued, marinated, smoked, etc. was up 11 percent from last year and cut-up was 35 percent higher.

Good demand for turkey and lower production costs are encouraging producers to expand production. During 1986, poults placed that could be slaughtered during the third quarter suggest output could be up 12 percent from a year earlier. If producers continue the expansion currently under way, fourth-quarter

Table 38--Turkey hatchery operations, 1984-86 1/

Month	Total turkey placed 2/: 1984-85	Total turkey placed 2/: 1985-86	Eggs in incubators first of month, changes from previous year: 1983-84	1984-85	1985-86
	- - Thousands - -		- - - Percent - - -		
Sept.	8,732	10,661	-5	12	20
Oct.	10,741	12,451	-9	9	8
Nov.	11,919	12,648	-5	8	12
Dec.	12,067	14,448	-3	3	17
Jan.	15,500	17,204	-8	15	9
Feb.	16,184	18,642	-3	6	13
Mar.	18,494	20,722	-2	6	8
Apr.	20,923	23,011	-5	1	10
May	21,926	24,277	1	4	8
June	20,249	23,572	-2	1	10
July	19,736		-8	3	13
Aug.	15,463		-2	20	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults.

output may be 15 percent above 1985's 935 million pounds.

The stage is set for another surge in turkey production in 1987. Producers have had favorable returns for 3 years. Consumers are finding new ways to use turkey; processed products in particular are providing an alternative to the traditional roasted bird. Other turkey forms, especially further processed products, are replacing other meats. With all of these favorable factors, turkey producers may expand output by 15 percent in 1987. However, more sluggish growth in the general economy could slow the increase.

Turkey Stocks Rise

Although up from last year, cold storage stocks of frozen turkey have been low relative to trade needs thus far in 1986 and stocks have helped to firm prices even though production has been up sharply. Cold storage stocks on July 1 were up 42.4 million pounds from 1985. Stocks of whole turkeys were up 36.8 million pounds, while other turkey was up only 5.6 million pounds. After 2 years of high fourth-quarter prices, retailers are lining up their turkey needs early this year. At least part of the whole turkey in storage is committed to retailers.

Prices To Remain Strong

Prices of commodity pack 8- to 16-pound hen turkeys in the Eastern region during second-quarter 1986 averaged 69 cents per pound, up from 65 cents in 1985. Prices rose throughout the quarter as turkey moved to storage and retailers lined up supplies. These factors continued to strengthen prices during July when prices averaged 78 cents per pound, up from 73 cents in 1985. Prices in the third quarter are expected to average 78 to 82 cents per pound, up from 78 cents last year. Turkey is expected to move very well this fall because of smaller supplies of ham and beef. Unless the general economy slows, fourth-quarter prices may average 88 to 92 cents per pound, about the same as last year.

Turkey prices in 1987 may average in the upper 60 cents range, off from the estimated mid-70's this year. If feed prices drift lower as expected, while other costs increase slightly, net returns would still be very favorable. A sharp increase in production plus

Table 39--Turkey prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per pound							
Farm price 1/													
1985	50.3	40.5	39.5	39.2	38.5	40.6	44.0	47.5	51.8	56.9	58.4	59.1	47.2
1986	35.7	36.4	36.9	38.0	40.7	46.1	49.3						
Hens, Eastern Regions 8-16 lbs 2/													
1985	74.0	65.6	67.0	64.6	62.6	68.1	72.8	78.4	82.4	90.2	93.1	86.9	75.5
1986	60.2	61.7	63.9	64.6	67.1	73.8	77.8						
4-region average retail price													
1985	109.1	107.3	105.3	104.4	103.0	102.9	104.0	104.4	107.3	107.5	104.2	103.1	105.2
1986	106.3	107.8	104.8	104.2	103.4	102.3							
Price spreads Retail-to-consumer													
1985	25.1	32.0	29.4	31.1	31.2	27.0	23.6	20.1	17.8	10.5	4.4	7.2	21.6
1986	33.7	36.7	32.5	31.3	27.1	19.0							
						December 1977=100							
Consumer pr. index													
1985	142.4	143.2	141.6	141.6	140.5	141.5	140.3	139.2	141.8	142.0	140.6	140.1	141.2
1986	142.1	143.2	141.4	139.6	140.7	139.8							

1/ Live weight. 2/ Wholesale, ready-to-cook.

expanding pork production late in 1987 may combine to hold turkey prices below 1986.

Exports Down from 1985

Exports of turkey and turkey parts during January–June 1986 totaled 10 million pounds, down 5 percent from 1985. Parts accounted for 83 percent of the total, about the same as last year. Even with the weak dollar relative to the Federal Republic of Germany's Deutsche mark, exports have not risen. Egypt is the major importer of U.S turkey and turkey parts. Western Samoa and West Germany were the second and third major importers in the second quarter. Shipments to Puerto Rico and the Virgin Islands during January–May totaled 409,000 pounds, down from 1,327,000 in 1985.

Table 41--U.S. mature chicken exports to major importers April-June, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Canada	1,581	1,820
Mexico	960	817
Pacific Is. Trust Terr.	189	418
Leeward-Windward Is.	773	221
Japan	107	188
Bahamas	24	74
Hong Kong	11	71
French Pacific Is.	231	63
Barbados	214	41
Saudi Arabia	10	31
Ghana	39	27
Netherlands Antilles	333	26
Jamaica	0	23
Colombia	0	10
United Arab Emirates	9	8
Other	246	11
Total	4,726	3,847

Table 40--U.S. young chicken exports to major importers April-June, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Japan	18,807	39,752
Hong Kong	27,525	19,921
Jamaica	9,881	14,404
Singapore	10,765	12,842
Mexico	6,971	8,548
Egypt	1,347	7,873
Canada	5,175	6,961
Leeward-Windward Is.	5,882	5,001
Federal Rep of Germany	676	2,675
Netherlands Antilles	2,699	2,519
French Pacific Is.	1,548	2,383
Spain	457	1,454
Saudi Arabia	994	1,218
Netherlands	210	888
Barbados	1,195	885
Other	8,137	7,768
Total	102,271	135,092

Table 42--U.S. turkey exports to major importers April-June, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Egypt	648	1,441
Western Samoa	255	620
Federal Rep of Germany	661	615
Canada	766	589
Japan	336	495
Pacific Is. Trust Terr.	136	444
Hong Kong	322	197
Saudi Arabia	110	170
Mexico	585	164
Bahamas	87	110
Gabon	0	101
Leeward-Windward Is.	188	85
Jamaica	117	51
Singapore	49	43
Bermuda	21	36
Other	308	149
Total	4,588	5,308

Table 43--U.S. egg exports to major importers April-June, 1985-1986 1/

Country or Area	1985	1986
	1,000 Dozen	
Japan	7,326	13,741
Canada	3,477	3,205
Hong Kong	2,715	1,917
Mexico	224	444
Trinidad-Tobago	656	441
Peru	42	297
Jamaica	195	289
Federal Rep of Germany	332	210
Haiti	173	202
United Kingdom	81	188
Switzerland	141	173
Suriname	248	154
Korea, Republic of	33	133
Pacific Is. Trust Terr.	57	112
Dominican Republic	0	94
Other	784	795
Total	16,484	22,397

1/ Shell and shell equivalent of egg products.

Table 44--Weekly average pork cutout values and barrow and gilts prices at 7-markets, per cwt

Week ending	Pork carcass cutout value 1/				Barrows and gilts 7-markets
	U.S. 1	U.S. 2	U.S. 3	U.S. 4	
	Dollars per cwt				
Jan. 4	65.36	63.56	61.75	59.94	46.49
11	64.68	62.96	61.25	59.55	45.71
18	63.47	61.77	60.07	58.37	45.46
25	61.75	60.09	58.46	56.83	44.84
Feb. 1	61.99	60.36	58.72	57.08	45.52
8	61.05	59.37	57.67	55.99	45.07
15	61.56	59.83	58.09	56.36	44.58
22	59.75	58.10	56.44	54.79	43.56
March 1	58.41	56.77	55.13	53.48	41.48
8	57.66	55.98	54.28	52.60	40.29
15	57.98	56.30	54.62	52.93	41.29
22	57.54	55.91	54.28	52.65	41.11
29	56.91	55.29	53.67	52.05	40.89
April 5	56.03	54.44	52.84	51.24	40.25
12	56.27	54.63	53.00	51.37	39.51
19	57.08	55.39	53.69	52.00	39.91
26	57.33	55.66	53.98	52.31	40.87
May 3	58.83	57.18	55.53	53.89	41.70
10	63.23	61.46	59.69	57.92	45.20
17	63.88	62.02	60.16	58.30	46.82
24	65.95	63.99	62.04	60.09	48.96
31	67.18	65.16	63.14	61.13	49.12
June 7	68.13	66.13	64.12	62.12	50.46
14	68.92	66.88	64.85	62.82	51.46
21	73.23	71.06	68.89	66.72	55.28
28	78.48	76.27	74.06	71.86	59.80
July 5	83.03	80.74	78.43	76.14	58.49
12	84.88	82.55	80.22	77.90	59.69
19	81.74	79.54	77.36	75.19	60.72
26	82.28	80.11	77.94	75.71	61.83

1/ Gross cutout values of 175 hog carcasses based on carlot prices of pork cuts and yield from USDA cutting tests - F.O.B. Omaha.

Table 45—Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Gross carcass value 3/	Carcass by-product allow-ance 4/	Net carcass value 5/	Gross farm value 6/	Farm by-product allow-ance 7/	Net farm value 8/	Farm-retail spread: Total	Farm-retail spread: Carcass-retail	Farm-retail spread: Farm-carcass	Farmers' share 9/
	- - - Cents per pound - - -										Percent
1980	237.6	157.7	2.3	155.4	161.9	16.9	145.0	92.6	82.2	10.4	61
1981 10/	238.7	151.5	2.1	149.3	154.5	16.0	138.5	100.2	89.4	10.8	58
1982	242.5	152.8	2.1	150.7	155.5	15.0	140.5	102.0	91.8	10.2	58
1983	238.1	147.4	2.0	145.4	151.8	15.6	136.2	101.9	92.7	9.2	57
1984	239.6	150.6	3.0	147.6	158.6	18.6	140.0	99.6	92.0	7.6	58
1985											
I	239.0	145.2	2.4	142.8	151.1	15.5	135.6	103.4	96.2	7.2	57
II	234.4	134.2	1.8	132.4	140.2	15.1	125.1	109.3	102.0	7.3	53
III	226.6	122.6	1.3	121.3	126.9	14.5	112.4	114.2	105.3	8.9	50
IV	230.3	145.8	1.6	144.2	150.7	16.3	134.4	95.9	86.1	9.8	58
Jan.	239.7	149.6	2.6	147.0	155.9	16.1	139.8	99.9	92.7	7.2	58
Feb.	238.7	146.7	2.4	144.3	152.8	15.6	137.2	101.5	94.4	7.1	57
Mar.	238.6	139.2	2.2	137.0	144.6	14.9	129.7	108.9	101.6	7.3	54
Apr.	236.8	135.0	2.1	132.9	142.8	15.8	127.0	109.8	103.9	5.9	54
May	234.4	134.8	1.8	133.0	140.6	15.2	125.4	109.0	101.4	7.6	53
June	232.0	132.9	1.7	131.2	137.1	14.2	122.9	109.1	100.8	8.3	53
July	230.6	124.0	1.4	122.6	128.3	14.3	114.0	116.6	108.0	8.6	49
Aug.	225.5	121.2	1.4	119.8	126.7	14.7	112.0	113.5	105.7	7.8	50
Sept.	223.6	122.7	1.3	121.4	125.6	14.5	111.1	112.5	102.2	10.3	50
Oct.	224.2	137.5	1.5	136.0	143.1	15.5	127.6	96.6	88.2	8.4	57
Nov.	229.9	150.6	1.8	148.8	155.0	16.9	138.1	91.8	81.1	10.7	60
Dec.	236.9	149.3	1.6	147.7	154.0	16.6	137.4	99.5	89.2	10.3	58
Annual	232.6	137.0	1.8	135.2	142.2	15.4	126.8	105.8	97.4	8.4	55
1986											
Jan.	236.9	140.0	1.4	138.6	144.5	16.1	128.4	108.5	98.3	10.2	54
Feb.	232.5	131.4	1.4	130.0	136.5	15.5	121.0	111.5	102.5	9.0	52
Mar.	230.3	129.2	1.1	128.1	134.9	15.1	119.8	110.5	102.2	8.3	52
1st qt.	233.2	133.5	1.3	132.2	138.6	15.5	123.1	110.1	101.0	9.1	53
Apr.	227.0	126.2	1.0	125.2	131.2	15.0	116.2	110.8	101.8	9.0	51
May	226.8	130.6	.9	129.7	135.7	15.3	120.4	106.4	97.1	9.3	53
June	226.6	126.6	.9	125.7	128.2	14.9	113.3	113.3	100.9	12.4	50
2nd qt.	226.8	127.8	.9	126.9	131.7	15.1	116.6	110.2	99.9	10.3	51

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.464 was used prior to 1970; it was increased gradually to 1.476 in 1976 and later years. 4/ Portion of gross carcass value attributed to fat and bone trim. 5/ Gross carcass value minus carcass by-product allowance. 6/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 7/ Portion of gross farm value attributed to edible and inedible by-products. 8/ Gross farm value minus farm by-product allowance. 9/ Percent net farm value is of retail price. 10/ ERS data through May 1981, BLS series since.

Table 46--Pork: Retail, wholesale, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	By-product allowance 5/	Net farm value 6/	Farm-retail spread: Total	Farm-retail spread: Wholesale-retail	Farm-retail spread: Farm-wholesale	Farmers' share 7/
	- - - Cents per pound - - -								Percent
1980	139.4	98.0	68.3	5.1	63.2	76.2	41.4	34.8	45
1981 8/	152.4	106.7	75.5	5.2	70.3	82.1	45.7	36.4	46
1982	175.4	121.8	94.3	6.3	88.0	87.4	53.6	33.8	50
1983	169.8	108.9	81.4	4.9	76.5	93.3	60.9	32.4	45
1984	162.0	110.1	83.3	5.9	77.4	84.6	51.9	32.7	48
1985									
I	165.4	106.3	80.4	5.4	75.0	90.4	59.1	31.3	45
II	158.6	101.0	73.5	4.5	69.1	89.5	57.6	31.9	44
III	161.1	96.6	74.1	4.5	69.6	91.5	64.5	27.0	43
IV	163.0	100.6	76.6	4.5	72.1	90.9	62.4	28.5	44
1985									
Jan.	166.0	110.0	83.5	5.5	78.0	88.0	56.0	32.0	47
Feb.	165.6	106.9	83.1	5.6	77.5	88.1	58.7	29.4	47
Mar.	164.7	102.0	74.6	5.0	69.6	95.1	62.7	32.4	42
Apr.	159.3	97.0	70.5	4.7	65.8	93.5	62.1	31.4	41
May	158.7	99.6	72.2	4.4	67.8	90.9	59.1	31.8	43
June	157.9	106.3	77.9	4.3	73.6	84.3	51.6	32.7	47
July	161.7	99.9	79.3	4.7	74.6	87.1	61.8	25.3	46
Aug.	161.8	96.8	74.5	4.7	69.8	92.0	65.0	27.0	43
Sept.	159.8	93.1	68.5	4.2	64.3	95.5	66.7	28.8	40
Oct.	160.0	98.7	74.8	4.3	70.5	89.5	61.3	28.2	44
Nov.	162.4	99.6	75.2	4.5	70.6	91.8	62.8	29.0	43
Dec.	166.5	103.5	79.8	4.5	75.3	91.2	63.0	28.2	45
Annual	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44
1986									
Jan.	169.0	99.1	77.6	4.7	72.9	96.1	69.9	26.2	43
Feb.	168.3	95.7	74.1	4.6	69.5	98.8	72.6	26.2	41
Mar.	165.8	92.4	69.5	4.0	65.5	100.3	73.4	26.9	40
1st qt.	167.7	95.7	73.7	4.4	69.3	98.4	72.0	26.4	41
Apr.	162.2	91.7	68.8	4.0	64.8	97.4	70.5	26.9	40
May	162.3	102.8	80.8	4.2	76.6	85.7	59.5	26.2	47
June	166.5	112.2	94.6	4.8	89.8	76.7	54.3	22.4	54
2nd qt.	163.7	102.2	81.4	4.3	77.1	86.6	61.5	25.1	47

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from pork carcass. 3/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used for all years. 4/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 5/ Portion of gross farm value attributable to edible and inedible by-products. 6/ Gross farm value minus by-product allowance. 7/ Percent net farm value is of retail price. 8/ ERS data through May 1981, BLS series since.

Table 47--Average retail price of specified meat cuts, per pound, by months

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
CHOICE BEEF:												
Ground chuck												
1984	1.72	1.74	1.75	1.75	1.75	1.72	1.69	1.69	1.68	1.69	1.70	1.71
1985	1.71	1.73	1.72	1.72	1.69	1.67	1.65	1.64	1.64	1.62	1.67	1.68
1986	1.66	1.66	1.66	1.63	1.59	1.60						
Ground beef												
1984	1.29	1.34	1.31	1.33	1.30	1.27	1.25	1.28	1.27	1.25	1.27	1.30
1985	1.28	1.28	1.28	1.27	1.21	1.20	1.20	1.21	1.21	1.19	1.24	1.28
1986	1.28	1.26	1.27	1.22	1.19	1.16						
Chuck roast, bone in												
1984	1.75	1.78	1.75	1.74	1.70	1.62	1.59	1.59	1.62	1.62	1.69	1.71
1985	1.68	1.70	1.65	1.62	1.58	1.55	1.50	1.48	1.41	1.50	1.56	1.63
1986	1.68	1.64	1.65	1.53	1.54	1.53						
Round roast, boneless												
1984	2.62	2.69	2.68	2.68	2.61	2.53	2.47	2.52	2.52	2.52	2.51	2.55
1985	2.56	2.52	2.56	2.54	2.45	2.40	2.41	2.34	2.35	2.39	2.49	2.56
1986	2.55	2.47	2.46	2.41	2.44	2.33						
Rib roast, bone in												
1984	3.45	3.44	3.42	3.35	3.39	3.37	3.38	3.32	3.22	3.26	3.23	3.34
1985	3.43	3.28	3.32	3.29	3.30	3.29	3.27	3.24	3.19	3.20	3.21	3.37
1986	3.36	3.33	3.20	3.29	3.16	3.21						
Round steak, boneless												
1984	2.93	2.96	2.98	2.96	2.90	2.90	2.83	2.89	2.87	2.89	2.85	2.92
1985	2.94	2.94	2.95	2.90	2.88	2.84	2.76	2.68	2.67	2.69	2.78	2.83
1986	2.91	2.82	2.82	2.75	2.74	2.74						
Sirloin steak, bone in												
1984	2.89	3.06	3.09	3.18	3.09	3.17	3.18	3.11	3.09	2.98	3.00	3.07
1985	2.98	2.97	2.99	2.96	3.00	3.08	3.06	2.94	2.87	2.82	2.84	2.98
1986	2.90	2.97	2.84	2.90	2.99	3.01						
Chuck steak, bone in												
1984	1.75	1.80	1.78	1.78	1.72	1.65	1.59	1.63	1.62	1.68	1.77	1.76
1985	1.72	1.74	1.71	1.66	1.62	1.54	1.53	1.56	1.54	1.60	1.68	1.74
1986	1.72	1.58	1.62	1.52	1.48	1.50						
T-Bone steak, bone in												
1984	3.83	3.86	3.86	3.98	3.93	4.06	4.06	4.02	3.95	3.91	3.96	3.97
1985	3.96	3.97	3.98	4.03	3.98	4.09	4.10	3.91	3.87	3.78	3.86	4.05
1986	3.99	3.91	3.87	3.90	3.96	3.99						
Porterhouse steak, bone in												
1984	3.76	3.91	4.06	4.04	4.10	4.18	4.16	4.21	4.11	3.98	4.03	4.14
1985	4.10	4.04	4.00	4.04	4.04	4.04	4.22	4.03	4.05	3.98	3.91	4.04
1986	4.08	3.96	3.92	3.96	4.16	4.22						
PORK												
Bacon, sliced												
1984	1.81	1.88	1.80	1.80	1.82	1.83	1.90	1.90	1.89	1.90	1.87	1.89
1985	1.95	1.97	1.96	1.95	1.93	1.89	1.95	1.96	1.93	1.95	1.93	1.92
1986	1.94	1.96	1.89	1.87	1.87	1.95						
Chops, center cut												
1984	2.41	2.36	2.34	2.35	2.28	2.37	2.43	2.52	2.40	2.37	2.35	2.37
1985	2.37	2.41	2.35	2.27	2.24	2.31	2.35	2.34	2.34	2.30	2.38	2.39
1986	2.47	2.42	2.38	2.36	2.40	2.48						

Continued--

Table 47--Average retail price of specified meat cuts, per pound, by months--Continued

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
Ham, rump or shank half												
1984	1.33	1.32	1.32	1.30	1.28	1.28	1.27	1.32	1.35	1.37	1.35	1.37
1985	1.36	1.32	1.34	1.22	1.27	1.24	1.24	1.26	1.25	1.27	1.29	1.36
1986	1.38	1.42	1.38	1.30	1.32	1.33						
Sirloin roast, bone in												
1984	1.67	1.67	1.65	1.66	1.61	1.64	1.66	1.73	1.66	1.62	1.60	1.60
1985	1.68	1.63	1.60	1.55	1.54	1.50	1.62	1.58	1.54	1.58	1.61	1.65
1986	1.66	1.65	1.65	1.64	1.65	1.67						
Shoulder picnic, bone in												
1984	1.04	1.03	.98	1.03	1.02	.98	.98	.98	.99	1.01	1.02	1.02
1985	1.06	1.03	1.04	1.04	.99	.98	1.01	1.03	1.00	1.01	1.02	1.07
1986	1.06	1.03	1.00	1.00	.96	.99						
Sausage, fresh, pork, loose												
1984	1.66	1.72	1.68	1.66	1.72	1.74	1.72	1.76	1.72	1.74	1.74	1.70
1985	1.72	1.78	1.77	1.74	1.75	1.73	1.75	1.74	1.72	1.66	1.69	1.78
1986	1.84	1.79	1.86	1.78	1.77	1.76						
MISCELLANEOUS CUTS												
Ham, canned, 3 or 5 lbs												
1984	2.59	2.59	2.58	2.53	2.55	2.54	2.52	2.54	2.57	2.60	2.53	2.57
1985	2.64	2.66	2.70	2.55	2.57	2.53	2.52	2.52	2.51	2.51	2.50	2.49
1986	2.56	2.68	2.58	2.57	2.55	2.57						
Frankfurters, all meat												
1984	1.76	1.80	1.81	1.78	1.80	1.81	1.80	1.81	1.81	1.82	1.78	1.80
1985	1.81	1.83	1.82	1.80	1.81	1.81	1.77	1.77	1.83	1.86	1.82	1.83
1986	1.91	1.92	1.88	1.85	1.87	1.89						
Bologna												
1984	2.07	2.09	2.12	2.10	2.13	2.15	2.16	2.14	2.17	2.15	2.16	2.14
1985	2.12	2.10	2.11	2.15	2.13	2.12	2.11	2.09	2.13	2.11	2.07	2.12
1986	2.14	2.09	2.12	2.12	2.10	2.11						
Beef liver												
1984	.96	.96	.96	.98	.97	.98	.99	1.00	1.00	.99	1.00	1.00
1985	.95	.96	.97	.96	.94	.98	.96	.95	.94	.93	.95	1.04
1986	.99	.96	.95	.97	.96	.97						

Table 48--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-86 1/

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Population
	---- Million pounds ----										Pounds		Million
BEEF:													
1982	22,366	170	257	1,939.18	24,732.18	249.74	55.30	135	294	23,998.13	104.28	77.17	230.30
1983	23,060	183	294	1,931.07	25,468.07	272.10	40.23	121	325	24,709.74	106.23	78.61	232.60
1984	23,418	180	325	1,823.08	25,746.08	328.76	47.26	112	358	24,900.06	106.05	78.48	234.80
1985													
I	5,692	60	358	419.60	6,529.60	81.58	12.34	28	334	6,073.68	25.71	19.03	236.20
II	5,923	26	334	534.32	6,817.32	77.12	11.99	31	296	6,401.21	27.03	20.00	236.80
III	6,167	25	296	632.58	7,120.58	91.26	11.64	30	308	6,679.68	28.14	20.82	237.40
IV	5,775	60	308	481.40	6,624.40	78.21	15.32	26	317	6,187.87	26.01	19.24	237.90
Year	23,557	171	358	2,067.90	26,153.90	328.17	51.29	115	317	25,342.44	106.93	79.13	237.00
1986													
I	5,769	60	317	502	6,648.00	101.67	13.00	24	297	6,212.33	26.00	19.30	238.50
II 2/	6,247	26	297	482	7,022.00	83.00	15.00	33	321	6,600.00	27.62	20.44	239.00
Year 3/	23,666	171	317	2,125	26,279.0	500.0	53.0	118	350	25,258.0	105.5	78.1	239.30
1987 3/	22,350	171	350	2,100	24,971.0	450.0	60.0	110	325	24,026.0	99.5	73.6	241.5
PORK:													
1982	14,121	108	264	612.11	15,105.11	214.29	151.16	96	219	14,424.66	62.63	59.00	230.30
1983	15,117	82	219	701.61	16,119.61	219.32	141.60	89	301	15,368.69	66.07	62.17	232.60
1984	14,720	92	301	953.92	16,066.92	163.85	147.00	86	274	15,396.07	65.57	61.76	234.80
1985													
I	3,618	28	274	313.14	4,233.14	33.84	32.74	17	314	3,835.56	16.24	15.26	236.20
II	3,743	11	314	287.71	4,355.71	37.20	33.48	20	385	3,880.03	16.39	15.40	236.80
III	3,553	12	385	264.80	4,214.80	25.42	28.06	18	277	3,866.32	16.28	15.31	237.40
IV	3,814	28	277	262.13	4,381.13	31.92	37.10	17	229	4,066.11	17.09	16.07	237.90
Year	14,728	79	274	1,127.78	16,208.78	128.38	131.38	72	229	15,648.02	60.01	62.05	237.00
1986													
I	3,565	28	229	279.23	4,101.23	15.57	33.30	16	254	3,782.36	15.86	14.91	238.50
II 2/	3,567	12	254	246.64	4,079.64	28.08	35.00	20	247	3,749.56	15.67	14.74	239.00
Year 3/	14,156	80	229	1,080.00	15,545.0	130.0	140.0	76	225	14,974.0	62.6	58.8	239.30
1987 3/	14,125	80	225	1,050.0	15,480.0	120.0	140.0	80	225	14,915.0	61.7	58.0	241.50
LAMB AND MUTTON:													
1982	356	9	11	18.67	394.67	1.72	2.42	1	9	380.52	1.65	1.47	230.30
1983	367	8	9	18.77	402.77	1.45	2.22	0	11	388.10	1.67	1.49	232.60
1984	371	8	11	20.00	410.00	1.93	2.83	0	7	398.24	1.70	1.51	234.80
1985													
I	93	2	7	4.60	106.60	.27	.67	-	7	98.66	.42	.37	236.22
II	83	2	7	10.95	102.95	.21	.58	-	9	93.16	.39	.35	236.80
III	85	1	9	6.47	101.47	.24	.68	-	9	91.55	.39	.34	237.40
IV	91	2	9	14.45	116.45	.29	.53	-	13	102.63	.43	.38	237.90
Year	352	7	7	36.47	402.47	1.01	2.46	-	13	386.00	1.63	1.45	237.00
1986													
I	90	2	13	10.30	115.30	.36	.62	0	12	102.32	.43	.38	238.50
II 2/	78	1	12	11.00	101.50	.25	1.00	0	14	86.25	.40	.35	239.00
Year 3/	329	6	13	38.0	386.0	2.0	1.0	0	11	372.0	1.6	1.4	239.30
1987 3/	320	6	11	38.0	375.0	2.0	1.0	0	8	364.0	1.5	1.3	241.5

Continued--

Table 48--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-87 1/--Continued

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Population
				- - - - Million pounds - - - -							- Pounds -		Million
VEAL:													
1982	423	25	9	18.76	475.76	3.80	1.47	6	7	457.49	1.99	1.65	230.30
1983	428	25	7	18.55	478.55	4.06	1.09	7	9	457.40	1.97	1.64	232.60
1984	479	16	9	24.09	528.09	5.65	1.35	4	14	503.09	2.14	1.78	234.80
1985													
I	119	6	14	4.85	143.85	.90	.07	1	11	130.88	.55	.46	236.20
II	120	2	11	5.85	138.85	.94	.05	2	11	124.86	.53	.44	236.80
III	126	2	11	2.72	141.72	1.05	.35	2	10	128.32	.54	.45	237.40
IV	134	6	10	6.28	156.28	.74	.27	2	11	142.67	.60	.50	237.90
Year	499	16	14	19.70	548.70	3.63	.74	7	11	526.73	2.22	1.84	237.00
1986													
I	129	6	11	7.49	153.49	.90	.25	1	10	141.34	.59	.49	238.50
II 2/	129	2	10	3.86	145.86	.81	0	2	9	134.05	.56	.46	239.00
Year 3/	498	16	11	23.00	548.0	4.0	0	7	7	530.0	2.2	1.8	239.30
1987 3/	410	16	7	20.0	453.0	4.0	1	7	7	434.0	1.00	1.5	241.50
TOTAL RED MEAT:													
1982	37,266	312	541	2,588.72	40,707.71	469.56	210.35	238	529	39,260.79	170.48	139.29	230.30
1983	38,972	298	529	2,670.00	42,469.00	496.93	185.14	217	646	40,923.93	175.94	143.91	232.60
1984	38,988	296	646	2,821.09	42,751.09	500.19	198.44	202	653	41,197.46	175.46	143.00	234.80
1985													
I	9,522	96	653	742.19	11,013.19	116.59	45.82	46	666	10,138.78	42.92	35.12	236.20
II	9,869	41	666	838.83	11,414.83	115.47	46.10	53	701	10,499.26	44.33	36.19	236.80
III	9,931	40	701	906.57	11,578.57	117.97	40.73	50	604	10,748.89	45.29	36.86	237.40
IV	9,814	96	604	764.26	11,278.26	111.16	53.22	45	570	10,489.28	44.13	36.19	237.90
Year	39,136	273	653	3,251.85	43,313.85	461.19	185.87	194	570	41,902.79	176.80	144.36	237.00
1986													
I	9,552	96	570	794.00	11,016.71	118.50	47.07	41	573	10,237.14	42.92	35.07	238.50
II 2/	10,022	41	573	786.00	11,311.02	111.86	46.00	56	591	10,594.06	44.20	36.00	239.00
Year 3/	38,649	273	570	3,266.0	42,758.0	636.0	194.0	201	593	41,134.0	171.9	140.1	239.30
1987 3/	37,205	273	593	3,208.0	41,279.0	576.0	202.0	197	565	39,739.0	164.5	134.5	241.5

1/ Totals may not add because of rounding. 2/ Preliminary. 3/ Forecast. 4/ Less than .5.

Table 49--Poultry: Supply and utilization, 1985-87 1/

Year	Total production	Beginning stocks	Total supply	Exports	Shipments	Military purchases	Ending Stocks	Civilian disappearance Total	Civilian disappearance Per capita 3/
	- - - - - - Million pounds - - - - - -								Pounds
Young chicken:									
1985									
I	3,272.3	19.7	3,292.0	100.0	39.0	7.1	24.1	3,121.8	13.2
II	3,562.3	24.1	3,286.4	102.3	34.8	10.3	28.5	3,410.4	14.4
III	3,535.5	28.5	3,564.0	104.6	34.1	7.5	27.7	3,390.1	14.3
IV	3,391.5	27.7	3,419.2	110.0	35.0	8.9	26.6	3,238.8	13.6
Year	13,761.6	19.7	13,7813.2	416.9	142.9	33.9	26.6	13,161.1	55.5
1986 4/									
I	3,451.4	26.6	3,478.0	120.8	36.0	7.2	23.8	3,290.2	13.8
II	3,714.1	23.8	3,737.9	135.1			23.2		
Year 5/	14,439	26.6	14,465	501	131	33	25	13,775	57.6
1987									
Year 5/	15,050	25	15,288	520	140	36	25	14,567	60.3
Other chicken:									
1985									
I	185.7	119.2	304.9	3.3	.2	.6	142.7	158.0	0.7
II	161.6	142.7	304.4	4.7	.2	.4	143.7	155.2	0.7
III	143.7	143.7	287.4	6.5	.1	.5	148.2	132.1	0.6
IV	144.6	148.2	292.9	6.1	.8	.5	144.1	141.4	0.6
Year	635.7	119.2	754.8	20.6	1.4	2.1	144.1	586.8	2.5
1986 4/									
I	172.7	144.1	316.6	3.4	.5	.4	160.7	151.7	.6
II	183.3	160.7	344.0	3.8			155.6		
Year 5/	647	144.1	790	19	4	1	110	657	2.7
1987									
Year 5/	640	110	750	20	4	1	110	615	2.5
Total chicken:									
1985									
I	3,458.0	138.9	3,596.9	103.3	39.2	7.8	166.8	3,279.8	13.9
II	3,724.0	166.8	3,890.8	107.0	35.1	10.8	172.3	3,565.7	15.1
III	3,679.2	172.3	3,851.5	111.1	34.2	8.0	176.0	3,522.2	14.8
IV	3,536.1	176.0	3,712.1	116.1	35.8	9.4	170.6	3,380.2	14.2
Year	14,397.3	138.9	14,536.2	437.5	144.2	36.0	170.6	13,747.9	58.0
1986 4/									
I	3,624.2	170.6	3,790.6	124.2	36.5	7.6	184.5	3,441.9	14.4
II	3,897.4	184.5	4,081.9	138.9			178.8		
Year 5/	15,086	170.7	15,255	520	135	34	135	14,432	60.3
1987									
Year 5/	15,690	135	16,038	540	144	37	135	15,182	62.8
Turkey:									
1985									
I	506.1	125.3	631.4	6.1	0.7	2.4	131.1	491.1	2.1
II	660.0	131.1	791.1	4.6	1.0	2.7	243.3	539.5	2.3
III	898.4	243.3	1,141.6	7.3	1.0	4.4	444.5	684.5	2.9
IV	877.6	444.5	1,322.0	9.3	3.9	3.5	150.2	1,155.2	4.9
Year	2,942.1	125.3	3,067.4	27.2	6.6	13.0	150.2	2,870.4	12.1
1986 4/									
I	583.6	150.2	728.3	4.8	.3	1.5	150.0	577.1	2.4
II	747.7	150.0	897.7	5.3			285.7		
Year 5/	3,349	150.2	3,500	28	6	16	220	3,230	13.5
1987									
Year 5/	3,846	220	4,066	25	4	16	150	3,871	16.0
Total poultry:									
1985									
I	3,964.1	264.2	4,228.4	109.4	39.9	10.2	297.9	3,771.0	16.0
II	4,384.0	297.9	4,681.9	111.6	36.0	13.5	415.5	4,105.2	17.3
III	4,577.6	415.5	4,993.1	118.4	35.2	12.4	620.4	4,206.7	17.7
IV	4,413.7	620.4	5,034.1	125.3	39.6	12.9	320.8	4,535.4	19.1
Year	17,339.4	264.2	17,603.6	464.7	150.8	49.0	320.8	16,618.3	70.1
1986 4/									
I	4,207.7	320.8	4,518.9	129.0	36.9	9.1	334.5	4,019.0	16.9
II	4,645.1	334.5	4,979.6				464.5		
Year 5/	18,435	320.9	18,755	548	141	50	355	17,662	73.8
1987									
Year 5/	19,536	355	20,104	565	148	53	285	19,053	78.8

1/ Totals may not add because of rounding. 2/ Total production is estimated by multiplying the federally inspected slaughter by the ratio of the annual total production to the annual federally inspected slaughter. The ratio for 1986 and 1987 is the same as in 1985. 3/ Calculated from unrounded data. 4/ Preliminary. 5/ Projected.

Table 50--Total red meat and poultry supply and utilization, 1982-87 1/

Year	Total pro-duction	Beginning stocks	Imports	Total supply	Exports and shipments	Military	Ending stocks	Total civilian disappear-ance	Per capita disappear-ance
	Million pounds								Pounds
1982									
Year	53,011	929	2,589	56,529	1,410	286	868	53,965	203.1
1983									
I	13,057	868	720	14,645	321	64	870	13,389	50.0
II	13,623	870	704	15,197	339	74	950	13,834	51.8
III	14,018	950	717	15,684	309	71	1,066	14,238	52.9
IV	14,338	1,067	530	15,935	359	57	921	14,599	54.5
Year	55,036	868	2,670	58,574	1,328	267	921	56,060	209.1
1984									
I	13,461	921	685	15,066	328	53	946	13,740	50.9
II	13,891	946	633	15,470	306	80	1,072	14,011	52.0
III	13,892	1,072	783	15,746	333	63	1,114	14,236	52.6
IV	14,432	1,114	721	16,268	345	55	917	14,951	55.4
Year	55,676	921	2,821	59,418	1,312	251	917	56,938	210.9
1985									
I	13,582	917	742	15,241	313	56	964	13,910	51.0
II	14,294	964	839	16,096	309	67	1,116	14,605	53.6
III	14,549	1,116	907	16,572	312	62	1,224	14,956	54.6
IV	14,324	1,224	764	16,312	329	58	891	15,024	55.3
Year	56,007	917	3,252	60,917	1,519	243	891	58,521	214.6
1986									
I 2/	13,659	891	799	15,545	333	40	908	14,254	51.9
II 2/	14,710	908	743	16,361	334	68	1,056	14,903	54.1
Year 3/	57,358	891	3,266	61,514	1,519	251	948	58,796	213.9
1987									
Year 3/	57,227	948	3,208	61,383	1,491	250	850	58,792	213.3

1/ Totals may not add due to rounding. 2/ Preliminary. 3/ Forecast.

Table 51--CPI meat prices, and relationship of individual meat indexes to index for meat, poultry, fish, and eggs

Year	Indexes					Percent of meat, poultry, fish and eggs index			
	Meat, poultry, fish & eggs	Beef and veal	Pork	Poultry	Eggs	Beef and veal	Pork	Poultry	Eggs
	- - - 1967=100 - - -					- - - Percent - - -			
1970	117.3	119.5	115.9	108.4	125.6	102	99	92	107
1971	116.2	124.9	105.0	109.0	108.4	107	90	94	93
1972	126.4	136.6	121.6	110.4	107.7	108	96	87	85
1973	160.4	163.8	161.7	154.8	160.2	102	101	97	100
1974	163.7	168.5	161.0	146.9	160.8	103	98	90	98
1975	176.4	170.0	196.9	162.4	157.8	96	112	92	89
1976	178.9	164.5	199.5	155.7	172.4	92	112	87	96
1977	177.5	163.6	188.8	156.7	166.9	92	106	88	94
1978	204.3	201.0	213.1	172.9	157.8	98	104	85	77
1979	234.2	255.8	216.4	181.5	172.8	109	92	77	74
1980	242.2	270.3	209.1	190.8	169.7	112	86	79	70
1981	252.8	272.6	228.6	198.6	183.8	108	90	79	73
1982	262.1	276.5	258.1	195.1	178.7	105	98	74	68
1983	261.0	272.3	255.8	197.5	187.1	104	98	76	72
1984	266.6	275.6	252.5	218.5	209.0	103	95	82	78
1985									
Jan.	266.6	276.4	258.5	217.4	161.3	104	97	82	61
Feb.	267.0	275.6	258.9	219.5	169.7	103	97	82	64
Mar.	266.1	275.3	256.5	217.3	172.1	103	96	82	65
I	266.6	275.8	258.0	218.1	167.7	103	97	82	63
Apr.	263.6	273.7	249.0	216.7	169.9	104	94	82	64
May	259.8	269.0	247.8	213.6	159.9	104	95	82	62
June	259.8	267.4	248.6	216.0	158.3	103	96	83	61
II	261.1	270.0	248.5	215.4	162.7	103	95	82	62
July	260.5	264.7	253.1	214.7	168.4	102	97	82	65
Aug.	259.7	261.8	253.8	213.9	171.0	101	98	82	66
Sept.	260.0	261.1	252.1	215.9	185.7	100	97	83	71
III	260.3	262.5	253.0	214.8	175.0	101	97	83	67
Oct.	261.1	263.2	249.4	214.3	187.4	103	94	82	70
Nov.	266.1	270.8	254.0	216.8	190.8	102	95	81	70
Dec.	269.9	277.8	254.7	220.3	196.7	103	94	82	70
IV	265.7	270.6	252.7	217.1	191.6	102	95	82	70
Annual	263.4	269.7	253.0	216.4	174.3	102	96	82	66
1986									
Jan.	271.5	275.7	259.3	218.2	194.4	102	96	80	72
Feb.	268.4	272.3	257.0	218.5	186.7	101	96	81	70
Mar.	267.7	271.3	253.4	218.2	190.8	101	95	82	71
I	269.2	273.1	256.6	218.3	190.6	101	96	81	71
Apr.	264.2	266.0	249.9	215.7	188.8	101	94	82	71
May	263.4	264.9	250.0	218.7	173.7	101	95	83	66
June	265.1	264.9	257.0	223.7	166.9	100	97	84	63
II	264.2	265.3	252.3	219.4	176.5	101	95	83	67

Table 52--Expenditures per person for red meat and poultry 1/

Year and qtr.	Beef		Pork		Red meat		Broilers		Turkeys		Poultry		Total 2/	
	$	% of income	$	% of income	$	% of income	$	% of income	$	% of Income	$	% of income	$	% of income
1980	181.76	2.26	95.07	1.18	276.83	3.45	35.96	0.45	9.32	0.12	45.28	0.56	322.11	4.01
1981	184.52	2.07	99.06	1.11	283.58	3.18	34.48	.39	10.45	.12	44.93	.50	328.51	3.69
1982	187.45	2.00	103.66	1.11	291.11	3.10	34.20	.36	9.91	.11	44.11	.47	335.22	3.57
1983	187.38	1.88	105.62	1.06	293.00	2.94	37.06	.37	10.27	.10	47.33	.47	340.33	3.42
1984														
I	47.06	1.77	24.87	.94	71.94	2.70	10.86	.41	1.89	.07	12.74	.48	84.68	3.19
II	46.73	1.73	24.23	.90	70.95	2.63	11.36	.42	2.13	.08	13.49	.50	84.44	3.13
III	47.24	1.72	24.27	.88	71.51	2.60	10.98	.40	2.74	.10	13.62	.50	85.13	3.10
IV	47.22	1.70	26.94	.97	74.17	2.66	9.96	.36	4.61	.17	14.57	.52	88.73	3.19
Year	188.33	1.73	100.28	.92	288.60	2.65	43.14	.40	11.25	.10	54.39	.50	343.00	3.15
1985														
I	45.65	1.59	25.31	.88	70.96	2.47	10.10	.35	2.25	.08	12.35	.43	83.31	2.90
II	46.88	1.59	24.58	.83	71.46	2.42	10.75	.36	2.38	.08	13.13	.44	84.59	2.86
III	47.13	1.61	24.65	.84	71.78	2.45	10.67	.36	3.05	.10	13.72	.47	85.51	2.92
IV	43.53	1.47	25.75	.87	69.28	2.34	10.34	.35	5.12	.17	15.46	.52	84.74	2.86
Year	183.97	1.57	100.62	.86	284.58	2.43	41.72	.36	12.78	.11	54.39	.46	338.97	2.89
1986														
I	45.01	1.50	24.99	.83	69.99	2.33	10.60	.35	2.55	.08	13.15	.44	83.14	2.77
II	46.27	1.54	24.06	.80	70.33	2.34	11.43	.38	2.58	.09	14.01	.47	84.34	2.81

1/ Red meat includes beef and pork only; poultry includes broilers and turkeys only. 2/ Total includes beef, pork, broilers, and turkeys only.

Table 53--Selected price statistics for meat animals and meat

Item	1985								1986							
	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I	Apr.	May	June	II
	Dollars per cwt															
SLAUGHTER STEERS:																
Omaha:																
Choice, 900-1100 lb	53.26	51.94	51.29	52.16	58.02	63.30	62.94	61.42	59.69	56.42	55.55	57.22	53.68	55.79	54.08	54.52
Good, 900-1100 lb	47.23	46.92	46.61	46.92	52.16	56.94	56.82	55.31	54.35	53.38	50.86	52.86	49.13	48.78	47.64	48.52
California, Choice 900-1100 lb	53.65	53.81	53.31	53.59	60.75	64.88	65.98	63.87	60.85	57.75	57.44	58.68	55.90	56.90	53.88	55.56
Colorado, Choice 900-1100 lb	53.93	53.41	53.18	54.17	60.58	66.06	64.88	63.84	59.94	56.94	56.38	57.75	55.52	57.27	55.83	56.21
Texas, Choice 900-1100 lb	54.52	53.89	53.80	54.38	61.11	66.39	65.86	64.45	60.81	57.74	57.43	58.66	55.91	57.95	55.81	56.56
SLAUGHTER HEIFERS:																
Omaha:																
Choice, 900-1100 lb	52.81	51.69	51.37	51.96	58.61	63.47	62.71	61.60	59.38	55.90	54.70	56.66	53.30	55.72	54.30	54.44
Good, 700-900 lb	49.39	48.45	48.32	48.72	53.51	47.41	56.94	52.62	54.43	52.09	50.82	52.45	49.67	51.54	49.50	50.24
COWS:																
Omaha:																
Commercial	35.69	35.65	34.78	35.37	33.14	32.31	32.40	32.62	34.24	36.95	37.40	36.20	35.09	37.15	38.30	36.85
Utility	36.10	35.90	36.00	36.00	34.42	34.86	33.88	34.39	34.94	37.62	38.00	36.85	35.95	37.91	38.77	37.54
Cutter	36.09	36.21	34.57	35.62	34.04	34.18	32.91	33.71	33.93	36.05	36.86	35.61	35.05	37.46	37.80	36.10
Canner	33.86	33.65	31.88	35.62	31.30	31.56	30.12	30.99	31.04	32.92	33.43	32.46	31.92	33.81	34.31	33.35
VEALERS:																
Choice, So. St. Paul	62.25	58.59	60.00	60.28	60.00	55.00	45.94	53.65	45.00	52.50	55.00	50.83	55.00	55.83	61.10	57.31
FEEDER STEERS: 1/																
Kansas City:																
Medium No. 1, 400-500 lb	67.04	66.00	66.40	66.48	68.86	68.28	64.58	67.24	67.65	71.35	71.64	70.21	69.20	68.95	65.13	67.76
Medium No. 1, 600-700 lb	60.76	61.52	60.25	60.84	62.37	62.86	60.98	62.08	62.16	62.42	63.22	62.60	60.32	60.40	58.50	59.74
All weights and grades	56.53	54.27	56.27	55.69	59.12	60.05	62.04	60.40	59.51	59.33	57.95	58.93	56.68	62.21	53.69	57.53
Amarillo:																
Medium No. 1, 600-700 lb	60.67	61.88	56.62	59.72	60.11	61.94	61.65	61.23	62.41	62.81	59.03	61.42	55.15	54.28	54.88	54.77
Georgia auctions:																
Medium No. 1, 600-700 lb	55.50	56.62	52.88	55.00	55.38	57.00	56.67	56.35	58.00	58.75	57.62	58.12	57.62	53.25	52.75	54.54
Medium No. 2, 400-500 lb	56.75	57.38	55.00	56.38	56.25	59.33	58.17	57.92	58.38	60.75	60.00	59.71	60.00	54.75	54.62	56.46
FEEDER HEIFERS:																
Kansas City:																
Medium No. 1, 400-500 lb	56.56	58.62	57.22	57.47	57.08	56.64	54.55	56.09	56.25	60.20	59.42	58.62	59.04	58.50	55.50	57.68
Medium No. 1, 600-700 lb	53.98	54.82	54.49	54.43	55.20	55.44	54.82	55.15	54.91	55.95	55.32	55.39	53.32	51.05	50.00	51.46
SLAUGHTER HOGS:																
Barrows and gilts:																
Omaha:																
No. 1 & 2, 210-240 lb	47.62	44.04	40.68	44.11	44.68	45.21	48.07	45.99	46.82	44.44	41.70	44.32	41.15	48.62	55.37	48.38
All weights	46.70	43.44	40.18	43.44	44.00	43.92	46.70	44.87	45.46	43.46	40.88	43.27	40.15	46.99	54.41	47.18
Sioux City	47.09	43.91	40.42	43.81	44.20	44.46	47.11	45.26	45.60	43.80	41.08	43.49	40.59	47.47	54.95	47.42
7 markets 2/	46.99	43.50	40.38	43.62	44.09	44.14	46.91	45.05	45.48	43.55	40.88	43.30	40.27	46.91	54.50	47.14
Sows:																
7 markets 2/	37.40	36.58	35.16	36.38	37.53	38.73	38.07	38.11	30.18	39.46	38.89	38.84	38.91	41.57	45.97	42.11
FEEDER PIGS:																
No. 1 & 2, So. Mo., 40-50 lb (per hd.)	32.74	34.17	31.11	32.67	36.49	31.67	28.65	32.27	30.96	37.26	41.33	36.52	37.98	39.97	41.92	39.96

Continued--

Table 53--Selected price statistics for meat animals and meat--Continued

Item	1985 July	1985 Aug.	1985 Sept.	1985 III	1985 Oct.	1985 Nov.	1985 Dec.	1985 IV	1986 Jan.	1986 Feb.	1986 Mar.	1986 I	1986 Apr.	1986 May	1986 June	1986 II
	Dollars per cwt															
SLAUGHTER LAMBS:																
Lambs, Choice, San Angelo	71.50	71.69	69.75	70.98	67.25	64.17	59.33	63.58	65.81	67.50	63.58	65.63	74.22	81.25	76.63	77.37
Lambs, Choice, So. St. Paul	71.38	71.00	68.31	70.23	64.52	64.11	60.10	62.91	62.70	70.40	66.60	66.57	70.70	78.72	NA	74.71
Ewes, Good, San Angelo	37.94	32.50	33.62	34.69	30.25	32.83	36.67	33.25	34.69	31.88	33.12	33.23	32.20	33.94	35.88	34.01
Ewes, Good, So. St. Paul	20.20	18.30	21.00	19.83	21.00	21.42	22.40	21.61	29.07	25.88	20.60	25.18	NA	23.00	21.20	22.10
FEEDER LAMBS:																
Choice, San Angelo	73.82	74.34	76.50	74.89	81.65	87.92	84.67	84.75	77.90	75.12	66.69	73.24	79.98	84.22	84.69	82.96
Choice, So. St. Paul	70.50	70.72	71.34	70.85	67.32	70.35	70.76	69.48	70.10	73.48	74.00	72.53	72.08	73.35	77.40	74.28
FARM PRICES:																
Beef cattle	50.20	49.40	49.10	49.57	52.10	54.80	54.80	53.90	53.20	53.00	52.40	52.87	50.30	51.00	50.10	50.47
Calves	60.00	61.40	58.30	59.90	60.20	61.40	59.80	60.47	60.10	62.80	61.90	61.60	58.90	58.00	58.10	58.33
Hogs	45.80	42.50	39.70	42.67	43.10	43.20	45.30	43.87	44.30	42.80	40.40	42.50	39.70	45.80	52.60	46.03
Sheep	27.20	26.10	25.30	26.20	21.50	23.60	28.90	24.67	29.90	26.10	23.00	26.33	24.90	24.10	25.90	24.97
Lambs	70.80	70.80	70.20	70.60	67.80	66.00	62.50	65.43	63.90	67.00	64.90	65.27	69.10	76.30	74.00	73.13
MEAT PRICES:																
Wholesale:																
Central U.S. markets																
Steer beef, Choice, 600-700 lb	82.22	80.02	81.14	81.13	91.11	99.68	98.84	96.54	92.26	86.82	85.04	88.04	83.34	86.42	83.58	84.45
Heifer beef, Choice 500-600 lb	80.93	79.19	80.39	80.17	89.33	96.70	91.15	92.39	90.42	84.94	83.09	86.15	82.00	85.16	82.40	83.19
Cow beef, Canner and Cutter	73.32	74.02	70.23	72.52	68.12	67.08	68.37	67.86	69.71	72.92	72.12	71.58	68.76	71.39	73.41	71.19
Pork loins, 14-17 lb 4/	96.85	93.77	89.44	93.55	97.85	90.00	100.34	96.06	95.43	91.75	88.12	91.77	89.31	102.53	111.58	101.14
Pork bellies, 12-14 lb	62.53	54.17	51.40	56.03	52.09	51.73	58.63	54.14	61.27	51.50	50.80	54.52	49.45	61.82	71.83	61.03
Hams, skinned, 14-17 lb	65.79	63.92	65.00	64.90	72.42	NA	66.67	69.34	64.44	63.00	61.12	62.85	58.20	64.89	69.69	64.26
East Coast:																
Lamb, Choice and Prime, 35-45 lb	150.60	147.00	144.12	147.24	143.75	145.00	139.75	142.83	144.75	149.58	150.00	148.11	151.71	161.75	156.88	156.78
Lamb, Choice and Prime, 55-65 lb	150.60	147.00	143.75	147.12	140.00	131.75	125.06	132.27	133.62	138.58	128.88	133.69	145.30	158.08	148.75	150.71
West Coast:																
Steer beef, Choice, 600-700 lb	92.50	89.50	88.38	85.96	99.40	109.12	110.00	101.53	98.80	91.12	99.50	96.47	87.60	90.13	88.67	88.80
	Cents per lb															
Retail:																
Beef, Choice	230.6	225.5	223.6	226.57	224.2	229.9	236.9	230.33	236.9	232.5	230.3	233.2	227.0	226.8	226.6	226.8
Pork	161.7	161.8	159.8	161.10	160.0	162.4	166.5	162.97	169.0	168.3	165.8	167.7	162.2	162.3	166.5	163.7
	1967=100															
Price indexes (BLS, 1967=100):																
Retail meats	262.7	261.2	260.4	261.4	261.2	266.3	270.1	265.9	270.6	268.4	266.6	269.5	262.3	262.1	264.4	262.9
Beef and veal	264.7	261.8	261.1	262.5	263.2	270.8	277.8	270.6	275.7	272.3	271.3	274.0	266.0	264.9	264.9	265.3
Pork	253.1	253.8	252.1	253.0	249.9	254.0	254.7	252.9	259.3	257.0	253.4	258.2	249.9	250.0	257.0	252.3
Other meats	268.2	267.1	267.3	267.5	269.8	269.0	268.1	269.0	269.6	271.1	269.8	270.4	267.3	269.6	270.6	269.2
Poultry	214.7	213.9	215.9	214.8	214.3	216.8	220.3	217.1	218.2	218.5	218.2	218.4	215.7	218.7	223.7	219.4
LIVESTOCK-FEED RATIOS, OMAHA 3/																
Beef steer-corn	20.6	21.7	21.8	21.4	25.7	27.8	26.7	26.7	25.6	24.4	24.0	24.7	22.9	22.8	22.3	22.7
Hog-corn	17.9	18.2	17.1	17.7	19.5	19.3	19.8	19.5	19.0	19.0	17.6	18.5	17.2	19.5	22.4	19.7

1/ Reflects new feeder cattle grades. 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight. 4/ Prior to January 1984 prices are 8-14 pounds. NA = Not available.

Table 54—Selected marketings, slaughter, and stock statistics for meat animals and meat

Item	1985				1986							
	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I	Apr.	May	June	II
	1,000 head											
FEDERALLY INSPECTED:												
Slaughter												
Cattle	3,097	2,669	2,778	8,614	3,204	2,613	2,726	8,543	3,096	3,123	3,017	9,236
Steers	1,345	1,174	1,228	3,747	1,458	1,222	1,286	3,966	1,485	1,454	1,467	4,406
Heifers	978	758	788	2,524	951	819	836	2,606	892	938	889	2,719
Cows	704	674	706	2,084	736	526	550	1,812	666	669	600	1,935
Bulls and stags	69	62	55	186	59	46	54	159	52	63	60	175
Calves	298	268	298	864	289	256	276	821	284	257	240	781
Sheep and lambs	554	460	490	1,504	507	441	524	1,472	477	417	406	1,300
Hogs	7,566	6,817	6,640	21,023	6,968	6,127	6,662	19,727	7,160	6,699	5,894	19,753
	Percent											
Percentage sows	4.7	4.8	5.2	4.9	4.9	4.6	4.1	4.5	3.9	4.3	5.1	4.4
	Pounds											
Average live wt per head:												
Cattle	1,110	1,110	1,099	1,106	1,105	1,113	1,116	1,111	1,115	1,107	1,098	1,107
Calves	229	235	232	232	237	235	236	236	240	248	249	246
Sheep and lambs	115	117	117	117	118	119	118	118	118	117	116	117
Hogs	246	248	247	247	246	244	244	245	245	246	245	245
Average dressed wt:												
Beef	658	653	641	651	649	658	662	656	663	658	654	658
Veal	139	141	139	140	144	143	143	143	146	151	153	150
Lamb and mutton	58	59	60	59	60	60	59	60	60	59	58	59
Pork	175	177	177	176	177	175	176	176	177	177	176	177
Production:												
Beef	2,029	1,735	1,774	5,538	2,070	1,713	1,798	5,581	2,044	2,047	1,967	6,058
Veal	41	112	41	94	41	36	39	116	41	38	36	115
Lamb and mutton	32	27	29	88	30	26	31	87	28	24	23	75
Pork	1,321	1,206	1,171	3,698	1,230	1,071	1,166	3,467	1,261	1,180	1,035	3,476
COMMERCIAL: 1/	1,000 head											
Slaughter:												
Cattle	3,242	2,812	2,925	8,729	3,330	2,715	2,839	8,884	3,215	3,235	3,123	9,574
Calves	319	288	316	923	307	272	294	873	303	276	257	836
Sheep and Lambs	570	475	504	1,549	518	452	540	1,510	492	431	419	1,342
Hogs	7,788	7,033	6,900	21,721	7,185	6,306	6,855	20,346	7,354	6,884	6,076	20,314
	Million pounds											
Production:												
Beef	2,108	1,812	1,855	5,775	2,139	1,769	1,861	5,769	2,111	2,109	2,027	6,247
Veal	46	42	46	134	46	40	43	132	45	43	41	129
Lamb and mutton	33	28	30	91	31	27	32	90	29	25	24	78
Pork	1,358	1,241	1,215	3,814	1,266	1,101	1,198	3,565	1,292	1,210	1,065	3,567
COLD STORAGE STOCKS END OF QUARTER: 2/ 3/	Million pounds											
Beef	295	302	317	317	318	297	301	301	301	318	321	321
Veal	12	11	11	11	11	11	10	10	10	9	9	9
Lamb and mutton	10	12	13	13	12	14	12	12	13	13	14	14
Pork	277	265	229	229	235	239	254	254	284	280	247	247
Total meat	646	633	607	607	617	615	622	622	663	674	645	645

1/ Federally inspected and other commercial. 2/ Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Stock levels end of quarter or month.

Table 55--Selected foreign trade, by months

Item	1985						1986					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Million pounds											
Imports (carcass weight):												
Beef	209.38	213.34	210.00	161.81	151.30	168.31	187.20	159.43	155.06	143.16	148.58	190.28
Veal	.74	.96	1.00	1.46	1.69	3.13	3.31	3.00	1.18	.93	1.41	1.52
Pork	90.15	85.78	88.87	89.28	94.08	78.74	99.26	86.72	93.24	82.54	79.58	84.52
Lamb and mutton	2.64	1.96	1.87	4.00	3.11	7.34	2.49	3.11	4.70	4.15	3.72	2.63
Exports (carcass weight):												
Beef	23.25	34.04	33.97	32.62	24.69	20.90	37.59	33.69	30.89	31.72	28.07	22.93
Veal	.57	.27	.21	.19	.11	.44	.30	.30	.30	.25	.22	.34
Pork	9.34	11.03	5.05	9.73	13.75	8.44	5.26	4.25	6.06	10.37	10.05	7.66
Lamb and mutton	.08	.09	.07	.05	.12	.12	.17	.12	.05	.08	.08	.09
Shipments (carcass weight):												
Beef	4.23	3.24	4.17	4.04	7.69	3.59	4.70	3.82	4.38	3.70	4.57	
Veal	.14	.09	.12	.15	.00	.12	.07	.04	.14	.01	.14	
Pork	9.31	9.73	9.02	10.04	15.50	11.56	11.56	7.97	13.68	11.24	10.87	
Lamb and mutton	.19	.26	.23	.16	.20	.17	.17	.29	.16	.21	.14	
	Number											
Live animal imports:												
Cattle	35,840	30,920	32,506	23,878	132,223	230,200	167,215	104,931	103,300	77,281	126,750	61,947
Hogs	108,483	65,195	48,421	37,371	38,630	65,854	70,493	47,021	29,067	33,260	25,128	38,926
Sheep and Lambs	5,467	5,070	3,412	2,773	3,543	1,020	1,161	1,509	1,227	496	31	1,911
Live animal exports:												
Cattle	5,619	14,248	6,400	6,912	10,222	16,115	6,182	8,188	5,684	4,541	9,307	9,529
Hogs	1,356	1,933	1,632	2,742	1,283	1,158	651	2,331	494	2,143	531	1,014
Sheep and lambs	36,121	27,530	20,124	23,696	18,721	22,073	13,441	12,208	16,726	15,171	14,759	11,396

Table 56--Imports of feeder cattle, calves and hogs from Canada and Mexico

Year and month	Feeder cattle and calves		Hogs
	Canada	Mexico	Canada
		Number	
1984			
Jan.	13,812	113,941	92,407
Feb.	22,425	93,891	87,962
Mar.	26,074	70,948	94,035
Apr.	35,117	27,318	114,760
May	34,211	14,051	97,358
June	29,376	1,799	117,160
July	39,468	15,055	137,082
Aug.	35,872	415	120,698
Sept.	36,866	10,896	90,282
Oct.	33,333	2,885	116,121
Nov.	27,209	533	112,086
Dec.	22,851	38,531	142,064
Total	356,614	390,263	1,322,015
1985			
Jan.	17,060	59,670	184,294
Feb.	33,849	4,416	142,330
Mar.	65,973	4,767	213,490
Apr.	55,824	4,303	89,183
May	35,865	15,684	123,103
June	23,208	26,073	108,799
July	14,152	21,278	108,481
Aug.	14,814	16,105	65,195
Sept.	15,066	16,884	48,421
Oct.	19,406	4,147	37,371
Nov.	29,958	101,638	38,630
Dec.	27,844	201,513	65,854
Total	352,489	476,478	1,225,131
1986			
Jan.	24,480	142,416	70,480
Feb.	28,787	75,606	47,021
Mar.	25,184	77,806	29,067
Apr.	21,994	54,507	33,260
May	23,510	102,789	25,128
June	19,928	41,353	38,926

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